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THE ROUND TABLE

A QUARTERLY REVIEW OF THE
POLITICS OF THE BRITISH COMMONWEALTH

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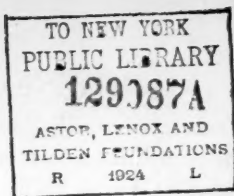
The Political and the Economic Outlook—Labour Tendencies

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THE NEW IMPERIAL PROBLEM

THE announcement that there is to be an Imperial Conference next October makes it necessary for all who are interested in the problems of the British Commonwealth of Nations to take stock of the tremendous changes which have come about, both in its internal and its external situation, since 1914. This Conference will be the first normal Conference since 1911, all the intervening assemblies, whether Imperial Conferences or Imperial Cabinets, having been principally concerned with the special problems presented by the Great War and its immediate aftermath. It is therefore proposed, in this article, to examine the new problem which is now presented to the peoples of the Commonwealth, and to set forth certain ideas about the future.

I. THE TRANSFORMATION SINCE 1907

THE most obvious change which has come about since the first meeting of the Imperial Conference in 1907 is in the external situation of the Commonwealth. That was the date when people began to realise that it was confronted by a serious external menace. Germany with her allies, not content with possessing the largest and most powerful army in the world, was evidently set upon building up the greatest navy as well. Europe was an armed camp, with every nation becoming more perfectly organised and equipped for instant war. Crisis followed crisis, yet every

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attempt at conciliation and to reach an agreement to stop the competition in armaments failed. It gradually became apparent to all thinking people that the programme of those who controlled Imperial Germany involved the same threat to the freedom of Europe and the world from despotic militarism that had arisen under Philip II. of Spain, Louis XIV., and Napoleon.

At first Great Britain tried to deal with the situation by itself. But by 1909 the strain had become too severe, and after the promulgation of the new German Navy Law a special defence conference of the nations of the Empire was summoned. At this conference Australia undertook to create a fleet unit, Canada inaugurated a naval service, and South Africa and New Zealand made large contributions in cash or kind to the Royal Navy. From this date until the end of the war the German peril increasingly weighed upon the thoughts of all people, in Britain or overseas, who were concerned with the government of the Commonwealth.

What is the position to-day? It is fundamentally different. There is now no direct external menace to the existence of the Commonwealth or the freedom of its members. Germany is disarmed. Russia is paralysed. The Washington treaties have ended for the time being naval competition among the Pacific Powers. What the future may bring forth none can say, but for the moment there is no Power which has either the organised naval and military power or the resources with which to attempt what Imperial Germany attempted under William II. Defence is no longer the primary preoccupation of the peoples of the Commonwealth in the field of foreign affairs.

But that does not mean that foreign policy is to-day unimportant. The reverse is true. In some ways the rest of the world affects us more than ever before. The pressing need of all nations within the Commonwealth to-day is stable international peace and the restoration of

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such economic conditions as will make it possible for them to resume their normal productive and commercial activities. The most serious menace to-day springs from the fact that, owing to discord in Europe, economic delirium in Russia, and unrest in other parts of the world, there are just over a million and a quarter unemployed in Great Britain; Canada is uncertain about the sale of the wheat crop, upon which her prosperity ultimately depends; Australia, South Africa and New Zealand have passed through grave periods of stringency, which may recur, owing to the failure of markets abroad; while the economic situation of India has been and still largely is dominated by outside events. The restoration of the world to a condition of economic sanity is clearly necessary to the abolition of unemployment in Great Britain, and to the resumption of settlement and development of the Dominion territories. But that process is in turn going to create grave new problems. What, for instance, is going to be the effect on wheat producers within the Commonwealth of the re-entry into the world of Russian and Siberian wheat?

These economic problems, however, are inseparably bound up with international politics, for it is political difficulties which prevent an economic settlement. At the moment, for instance, it is the occupation of the Ruhr which is the principal cause of our economic paralysis. Yet the economic are not the only or the most serious consequences of the Franco-German feud. Unless that quarrel is settled on sane and far-sighted lines, it is bound to lead the nations back along the path to another world war.

From whichever angle we look at it, the political or the economic, it is obvious that world affairs are as important, if not more important, to the peoples of the Commonwealth than ever before. How are they to exercise their influence most effectively, not for the time being for defence against impending aggression, but for the restoration and maintenance of peace and order and economic stability throughout the world?

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Before going on to consider this question, however, it is necessary to turn for a few moments to the change which the war period has brought about in the internal economy of the Commonwealth.

II. CONSTITUTIONAL PROGRESS

UP to 1907, the date of the first Imperial Conference—earlier gatherings had been Colonial Conferences—foreign affairs had been regarded as entirely a matter for the British Foreign Office, and the Dominions had been preoccupied with the great tasks of developing and peopling their territory, disentangling themselves from the Colonial Office, and carrying through schemes of union and federation. But the failure of the attempts to come to a naval understanding with Germany, and the inauguration of the new German Navy Law providing, as Sir Edward Grey said, for “a fleet greater than any then in existence,” produced a dramatic change. As already described, at the special defence conference of 1909 the Dominions undertook to make large contributions towards the naval defence of the Commonwealth, and in 1911, for the first time, foreign policy was placed upon the agenda of the Imperial Conference, and Sir Edward Grey took the Dominion Prime Ministers fully into the confidence of the Foreign Office.

These events precipitated an intensive discussion of the nature of the constitutional relations which should exist between the Dominions and the British Government. It was now clear that there was a serious risk of war. It was no less clear that if there were war with Germany the Dominions would become involved. Yet the decision of the policy upon which these tremendous issues hung was in the control of Great Britain alone. On the other hand it was certain that if war did not break out and the competition in armaments continued for many years, the resources

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of Great Britain would be insufficient, and the question of how the rest of the Commonwealth should share in the burden would become acute.

Students of the problem gradually became divided into two schools of opinion. One became convinced that if the external menace continued the only method whereby adequate defensive preparations could be made and the Dominions could share in the control of the policy upon which peace or war depended, was by the creation of a body representative of the whole Commonwealth to which the responsibility for foreign policy and defence and the finances thereof should be transferred. The other school was convinced that the Dominions could not and ought not to surrender their complete autonomy, and that the right line of advance was through imperial preference and voluntary co-operation. The great mass of public opinion in Great Britain and overseas probably gave no thought to the constitutional problem one way or the other.*

Then suddenly the storm broke. Controversy was swallowed up in the spontaneous enthusiasm with which the peoples of the Commonwealth sprang to resist the new threat to human freedom. Because there was absolute unity of purpose and a wonderful readiness on all sides to make whatever sacrifices were needed for victory the system of co-operation worked well. From 1917, however, after the preliminary task of raising the armies had been completed, and controversial questions of policy had begun to arise, it became necessary for the Dominion Prime Ministers to remain almost continuously in London. From its formation, the Imperial War Cabinet, composed of the British War Cabinet and the Dominion Prime Ministers,

* We cannot refrain from expressing our amazement at the reckless and, we must say, very unusual inaccuracy of Mr. Sidney Webb's account of ROUND TABLE views in a recent issue of the *Empire Review*. At no time has THE ROUND TABLE advocated "universal military service and Imperial fiscal protection" "wherever the Union Jack floated," as "indispensable to Imperial salvation."

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really acted as the supreme executive of the Commonwealth until the war was won and the peace was made.

The events of the war, the conspicuous success of the Dominions in raising and organising national armies, the great contribution of India to the common cause, the creation of the Imperial War Cabinet, the tremendous advertisement which the idea of self-determination received during the war, all these led to a rapid development in the constitutional theory and practice of the Commonwealth. It was recognised that the Dominions were now full grown nations within the Commonwealth and of equal status with Great Britain, and that the vast continent of India had started on the long and difficult Western road that leads to self-government. This change of view found expression in the arrangement whereby the Dominions and India each signed the treaty of peace, and insisted upon individual representation in the League of Nations, and in the far-reaching Montagu-Chelmsford reforms in the constitution of India. So far as foreign policy was concerned, the new view was embodied in the decisions of the meeting of Prime Ministers in 1921. Though it has never been officially set forth in precise language, the present constitutional theory, largely set forth in a speech by Mr. Lloyd George to Parliament in the autumn of 1921, seems to be as follows. The formulation of the general policy of the Commonwealth is now in the hands of all the peoples of the Commonwealth represented in the Imperial Conference, acting through their Prime Ministers, meeting as often as possible, and keeping in touch, as far as practicable, in the interval by cable and dispatch.* Inasmuch, however,

* Cf. Mr. Lloyd George: "The discussions revealed an absolutely unanimous opinion as to the main lines to be followed and a very deep conviction that the whole weight of the Empire should be concentrated behind a united understanding and common action in foreign affairs. . . . It was unanimously felt that the policy of the British Empire could not be adequately representative of democratic opinion throughout the peoples, unless the representatives of the dominions and of the Empire were frequently associated with those of the United Kingdom in considering and determining the course to be pursued."

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as the conduct of foreign affairs calls for constant action and prompt decision, it was recognised that, in the intervals between the gatherings of Prime Ministers, the policy agreed to had to be carried out mainly by the British Foreign Office, with such consultation with the Dominions as is possible by cable and dispatch. Because of this, it was also recognised, however, that no Dominion could be committed to approval or support of any new action undertaken between Imperial Conferences, except by its own Government and Parliament, and that Great Britain, as heretofore, must continue to carry the lion's share of the burden. In all dealings with foreign Powers, whether they were conducted by the British or a Dominion Government, prior consultation is now the essence of the case, for without it there can be no assurance of agreement or support from the rest of the Commonwealth.

That is, roughly speaking, the present constitutional theory of the Commonwealth. The theory has received illustration in two recent events—the enquiry by the British Government as to whether the Dominions would support it in the action it had decided to take in offering, if need be, forcible resistance to the crossing of the Dardanelles by the Turks, and the action of the Canadian Government in arranging that the halibut treaty should be signed by a Canadian minister alone. These events showed that Great Britain, while carrying out a generally agreed foreign policy, carries also the primary responsibility for its execution, the Dominions being free to co-operate or not as they please. They also showed that any of the Governments of the Commonwealth may conduct the negotiations for a treaty with a foreign Power, but that inasmuch as, to quote the Senate of the United States, it applies “to all British nationals,” it can do so only after consultation with the Commonwealth as a whole.

Consultation, therefore, to paraphrase Sir Henry Campbell-Bannerman's famous statement at the Imperial Conference of 1907, in addition to “freedom and independence,

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are the essence of the British Imperial connection," because, as Mr. Asquith said in 1911, we are "units in a greater unity."

Let us now examine a little more closely the international and imperial situation with which this constitutional system is now called upon to deal.

III. THE WORLD IN WHICH WE LIVE

IF we take a broad survey of the world to-day, what are the fundamental facts, not the disputes and problems of the hour, with which we have to deal?

The first fact is that Europe has been Balkanised. Before the war Europe consisted of two great political combinations, the Triple Alliance and the Triple Entente, with a number of minor neutral states. To-day it consists of 25 almost unrelated states, each with an army, each with an exclusive tariff, each in financial tribulation, with the League of Nations trying to exercise a feeble unifying influence over Europe and the whole world. But not only is Europe Balkanised, but the war is not yet over. The passions it let loose in the breasts of the two primary combatants, France and Germany, have resulted in another war in a new form in the Ruhr, partly a dispute over reparations and security, partly an explosion of unsatisfied hatred and fear. No progress towards the real pacification and economic reconstruction of Europe can take place until exhaustion or wisdom has brought the combatants in this war to a more reasonable temper. None the less, the restoration of Europe to a stable condition in which men and peoples may work and trade and think in peace must occupy a primary place in the deliberations of the Imperial Conference, for upon it the prosperity and peace of the peoples of the Commonwealth depends.

The second fact is that Russia has ceased to be part of Western civilisation, and has become a law unto itself.

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There is no doubt that the full communist experiment has failed. But the future of this great aggregation of 130,000,000 people is quite uncertain. As the unity and authority of the Communist party declines, as private enterprise extends its scope, especially as the great figures of the Revolution, like Lenin, disappear, Russia may enter upon a new period of anarchy, or it may fall a prey to a new military despotism. It hardly seems likely to join the ranks of the Western democracies for some time. Yet its future affects not only the question of peace, but of the economic restoration of the world, for Russia is one of the great markets for the manufactured goods of other countries, and one of the great exporters of the food and raw products also produced by the Dominions.

Thirdly, there is the United States. Is she coming back into the world? If so, it is the biggest fact of all. Her entry into the war was decisive. Her whole-hearted participation in the task of making the world not only safe for democracy, but ordered so that every nation shall be free to work out its own salvation for itself, would be not less decisive. It would at once bear down the scales, now trembling in doubt, against anarchy and reaction, and in favour of freedom, order and peace. For the moment the issue is uncertain. For a number of reasons, mostly domestic, the United States reacted into isolation after the war was won. She is clearly not going to undertake any such responsibility for the internal affairs of Europe as was imposed upon her under the Treaty of Versailles. Europe she now regards as a glorified Balkan peninsula, and she thinks it ought to settle its internal problems for itself. But all the evidence shows that she is coming back into the world. Lord Robert Cecil, who has recently returned from a political tour in the United States, has declared that though the external policy which the United States will pursue is still uncertain, facts have practically "exterminated full-blooded Isolationists." The tide has turned and public opinion is coming to recognise more and more clearly that

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neither from the moral, the political, nor the economic point of view, can the United States remain for ever in isolation from the rest of the world of which she is part. Indeed, it is obvious that in these days of radio and wireless and aeroplanes no nation can do so. Gradual and cautious, however, as America's re-entry into world politics will probably be, it is an incomparably important fact from the British Commonwealth point of view. The fundamental moral outlook of the United States and of the self-governing peoples of the British Commonwealth is the same. If they can once come to see eye to eye about what ought to be done to end international anarchy, the battle for peace, order and freedom is half won.

These are the big features of the international situation. There are many others, such as Turkey, Mesopotamia, the Far East, but, except in so far as they have bearing on these larger issues, they are minor. Economically speaking, Turkey is a small matter compared with Europe or Russia or the United States, and her power of political disturbance is diminishing hour by hour. The Far East, too, is politically stabilised for the time being by the Washington treaties, and the chief present impediment to economic progress is the internal disorder of China.

This, then, is broadly the situation which the Imperial Conference will have to consider. It is not the purpose of this article to attempt the formulation of a precise foreign policy, especially as the more immediate problem of the Ruhr is dealt with elsewhere. But there are certain questions which ought to be answered if the policy of the Commonwealth is to be firmly founded.

The primary concern of the British Commonwealth in Europe is not only that it should return to political and economic sanity as soon as possible, but that in doing so it should not revert to that system of armaments, alliances and the balance of power which has always ended, in the past, and which must in the nature of things end in the future, in world wars. How is that to be done? Is the

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Treaty of Versailles, apart from reparations, with its basing of Europe on nationality, its disarmament of Germany, and the League of Nations, a good beginning? If so, what is needed to make it more effective? If not, what is the alternative? What part ought Great Britain to play? Ought she to assume engagements of a political character inside Europe, obviously affecting the rest of the Commonwealth, or ought she to return to her traditional policy of standing outside the European political system, but doing all she can to help Europe to reach a condition of stable peace? Similarly, ought she to assume commitments at the Dardanelles, or ought she to return to the old policy of standing guard outside? Obviously in all this the Dominions' view and India's view is just as important as Great Britain's. Great Britain, perhaps, is inclined to be too preoccupied with Europe. The Dominions, perhaps, are too inclined to ignore its importance. The truth is probably somewhere in between. In any case, it is a question for the Commonwealth and not for Great Britain to decide, for unless the policy represents an agreed view, based on real discussion and understanding, it is likely to tear the Commonwealth in two when difficulties arise. Then there is the Pacific. Do the Washington treaties permanently stabilise the position? If not, what may happen when they cease to function? Is the fortification of Singapore really wise or necessary, or is the air defence of London more urgent?

What of the League of Nations? Manifestly the League of Nations can become an immense factor in maintaining peace and straightening out international tangles—provided all the nations of the world join it and really try to make it a success. For the moment, with Russia, Germany and the United States outside, it is hamstrung. One cannot judge its possible usefulness by what it is able to do now. On the other hand, what if reaction goes still further, and the dreams of 1919 recede further into the future, and the world, with a revived

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Russia, a still militarised Europe and an awakening Asia suspicious of the West, returns to its old ways, how is the safety and freedom of the Commonwealth to be secured ?

Then there are economic questions. The crying need of the time is for an all-round reduction of tariffs everywhere. Prosperity and employment will never return to a world divided into a vast number of trade-tight compartments. Is it possible to promote progress towards it ? Again, is it possible to take practical steps to increase the volume of inter-Imperial trade ? Is preference the best way ? Which would really be best, an international agreement to reduce tariff barriers everywhere, or a new scheme of preference ? Are the two compatible ? The United States has already challenged the preferential system on the ground that the Commonwealth must stand on one leg or the other ; either it is an entity or it is a number of separate states. It objects that it cannot claim that the preferential system is no infringement of the most favoured nation clause, on the ground that it is an internal affair of a single international state, and at the same time claim six votes in the Assembly of the League of Nations. Fortunately, perhaps, the United States is in no position to throw bricks at anybody about discriminating economic policies. Then there are questions relating to trade in non-self-governing territories. Controlling, as the Commonwealth does, a quarter of the globe, there is no aspect of its policy which foreign nations watch with more jealousy. Are we going to maintain strictly the policy of the open door, or is it to be whittled away with export taxes and other expedients, inevitably leading to international complications ? Is not the right policy an international agreement for the universal open door ? And what about the control of oil supplies, rubber and tropical products ?

Then there are some problems inside the Commonwealth. The effect of the war and of the propaganda for self-determination has been to weaken the old foundation of

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government in India, also in Egypt and certain other areas under the general control of Great Britain. The peoples of these territories have demanded, and rightly demanded, that they should begin to share in the responsibility of their own government, and steps have been taken, under the Montagu-Chelmsford reforms, the Allenby settlement in Egypt, the Malta constitution, and in other ways, to meet this demand.

But these reforms have not yet brought peace in their train. Large bodies of political opinion in the countries concerned regard them as inadequate or unreal, and have been fighting and are fighting for the more or less immediate removal of all external supervision and direction. These extremists are supported and encouraged to a large extent from foreign lands for ulterior reasons. On the other hand, there are reactionaries who seem to be convinced that the only plan is to abolish the reforms and go back to the benevolent despotism of the old days. The problem is complicated by the increase of colour feeling on both sides in recent years, and the extraordinary importance now attached to questions of status by all Asiatic peoples.

Moreover, the Indian question is largely discussed in an atmosphere of unreality, of ignorance of the true nature of the difficulties. India is not a little nation "rightly struggling to be free," as some sentimentalists seem to believe. Nor is it composed of people wholly unfit and incompetent to govern themselves, as others profess to think. The real difficulty in India arises from its size. India is to all intents and purposes a continent like Europe. It contains 319,000,000 people, divided into many races, speaking 11 main languages and many minor ones, divided between two hostile religions, and held in a social system the most rigid and priest-ridden in the world. It may be practical politics that provinces within India, united in race and language and geography, should, like the nations of Europe, within measurable time, become self-governing entities with democratic leaders and electorates. But to talk

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as if India as a whole could become a democracy at once, without sinking into chaos, is a fond dream. The most successful large scale experiment in democracy yet seen, the United States, contains only one-third of the population of India, speaks one language, is predominantly of one race, and has had a hundred and fifty years of experience in the art of self-government. Yet even there pessimists are doubtful whether it is not already overgrown. The question is not between Britain directing the government of India or of India governing itself, but between India, with its nine provinces and 700 native states, and savage neighbours, making steady progress towards self-government within a constitutional structure of law and order, sustained for the present largely from without, and falling into a state of anarchy to which Russia or China would be child's play.

Moreover, this is not a matter which affects Britain or India alone. If India were to go into chaos, the consequences to the peace, prosperity and employment of all the other peoples of the world would be immense. The political consequences it is impossible to foresee. The economic effects are more clear. To take one instance alone. Trade between India and Britain would largely cease. That would mean that Lancashire could neither buy its raw material from America, nor its goods from the Dominions. There would be distress in all these lands, and it would be the same with half the other industries of the world.

What is true of India is hardly less true of Egypt. Egypt is by comparison a small homogeneous country. So far as numbers are concerned, the problem is infinitely more manageable. But Egypt suffers from other complications. It is astride one of the great highways of the world. The number of foreigners permanently resident in Egypt is enormous. The westernisation of the economic life of the country has gone farther than in any other Oriental country. If Britain were to withdraw precipi-

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tately, before a reasonably efficient alternative system of government had been established, it would certainly lead to foreign intervention, and probably to international complications of a far-reaching kind.

The price of a great deal of human progress is the needless suffering of alternate violent revolution and violent reaction. It is the genius of the Commonwealth that it adjusts itself to growth in human thought and change in human circumstances by constitutional means, and after full consideration of the facts in a spirit of reason and goodwill. If progress is to come in India and other not yet self-governing parts of the Commonwealth without war and revolution and death and disaster to millions, it will be because both reaction and revolution are held in check, and sane progress along constitutional lines is firmly maintained. Hardly less important is it that the relations between the self-governing and not yet self-governing parts of the Commonwealth should be conducted on a basis of sympathy and understanding. There is no other way of doing this save that their representatives should meet and discuss things in a responsible atmosphere face to face. The Imperial Conference, containing as it does representatives not only of Great Britain, but of the Dominions and of India, is precisely the body to consider these questions in their larger aspects, and thrash out a policy which will command the support of thinking and moderate minded men, and which will be the more likely to prevail because the best opinion of a united Commonwealth is behind it.

IV. DIVERSE OPINIONS

IT is manifest that the Imperial Conference can come to no definite decisions on most of these points. Time must pass before the future of Russia, the subsidence of passion in Europe, the formulation of its ideas by America,

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the tendencies in Egypt and India and the Far East, can become clear. And it is not until these things have come about that any special action by the British Commonwealth is possible. Foreign policy, however, is a continuous matter, and it is on the general direction of policy, rather than on decisions taken at any particular, and especially at the last, moment that a future of peace and prosperity, or anarchy and war, depends. That is why periodic conferences between the nations of the Commonwealth, with all the cards on the table, is so important, and why the question of the machinery for continuous consultation about foreign affairs in between the Imperial Conferences is beginning to loom so large. The weaknesses of the present system were clearly revealed by the Chanak episode. Whether the meeting of Prime Ministers in 1921 discussed Turkish policy, and if so, what policy they agreed to, is not yet clear. But the sudden enquiry by the Prime Minister of Great Britain last September whether the Dominions would actively support Great Britain in its decision to offer a military resistance to any attempt by the triumphant Turkish army to cross into Europe, gave rise to a controversy which is still unsettled throughout the length and breadth of the Commonwealth.

Broadly speaking, political opinion fell into two schools. On the one side were those who said that inasmuch as Great Britain was on the international bridge and had sent out an S.O.S. there was only one thing for the nations of the Commonwealth to do, and that was to answer the call to the best of their ability. This opinion was strengthened by the demand from thousands of reservists to be allowed to enlist and to be sent to the front in the event of war. On the other side, were those who said that it was impossible for any self-governing country to have the question of peace and war settled over its head, and that it was for each Parliament within the Commonwealth to decide what, if anything, it should do, after consideration of all the facts.

Fortunately, the action of the Lloyd George Government

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had its effect on the Turks, and war did not occur. But the famous telegram, like a flash of lightning, had revealed that while the war had removed the external menace to the Commonwealth, it had done nothing to solve the fundamental problem of how a single Commonwealth, controlled by six independent Governments, was going to arrive at and maintain a single policy in external affairs.

So far as can be judged, opinion is very varied. So far as Great Britain is concerned, there have been no recent official pronouncements. There is little doubt, however, that the feeling has been growing that Great Britain is carrying too great burdens. The agitation against remaining in Mesopotamia and Palestine are cases in point. The Labour party strongly stresses this view. There is a tendency to demand that the new world, including the United States, should begin to take up its fair share of the burden of maintaining peace, freedom and order on the earth.

Mr. Mackenzie King is reported in the Press to have declared that "Canada should not involve herself in British wars unless she was directly interested in them." An influential group, headed, it is said, by Sir Clifford Sifton, goes further and considers that complete national and international independence, effected of course in friendly agreement, is the only logical step for the Dominions now to take. Mr. Meighen, on the other hand, the leader of the Conservatives, insists that if Canada is to play an honourable part in the work of the world, she must remain an integral and active part of the Commonwealth, which he has described as "the finest and most practical League of Nations." The Commonwealth, however, in his opinion, could only hold together if all its units carried a fair share of its burdens and there was evolved an effective system by which the Dominions would exercise a continuous and effective voice in foreign policy. "This," he added, "is a matter of time and time alone will solve it."

General Smuts stands upon the same ground as Mr.

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Mackenzie King, in his insistence that each nation within the Commonwealth must be perfectly free to decide upon what part, if any, it shall play in the international activities of the Commonwealth, but he is a great deal more enthusiastic for the Commonwealth itself, because he believes it is blazing the way towards an eventual commonwealth of all nations. Thus, at the time of the Chanak incident, he said in a public speech, "Forces are being let loose in Europe which may mean war, even ending in the ruin of European civilisation. The time is rapidly coming, if it has not come already, when the Commonwealth must define its position in certain eventualities and declare it to the world."

The New Zealand view was expressed in a phrase used by Sir John Salmond, at the time of the Washington Conference. "As a representative of the Dominion of New Zealand and of the British delegation, I desire to make it clear that New Zealand neither possesses nor claims any separate international status."

The attitude of Australia has recently been made clear by Mr. Stanley Bruce, her new Prime Minister. "An Empire such as ours," he said, on February 22, "a chain of independent nations sitting as equals in the councils of the world, is a great thing; it may easily become a dangerous thing unless we have a common foreign policy and a common policy of defence. Defence and foreign policy are now equally the concern of all. Foreign policy necessitates consultation, and consultation can come only by conference between representatives of the mother country and the overseas Dominions . . . When Britain alone was the voice of the Empire it was right perhaps that she should bear a greater burden of defence. That day has gone. Britain cannot now speak for the whole Empire, and she cannot, if she would, assume the full responsibility for its defence. . . . A common economic policy based on mutual welfare is as essential as a common policy of defence. . . . The welfare of the British citizen is as vital to us as the welfare

"The Round Table" Point of View

of the Australian citizen." And later he said that Australia was unable to shoulder the burden of armaments for complete self-protection, and an Empire defence scheme was most essential.

It is evident that apart from Great Britain, which still carries the greater part of the load, there are two tendencies, one represented by Canada and South Africa, and the other by Australia and New Zealand. The former are still thinking in terms of the point of view prevalent from 1917 to 1922. The latter, partly perhaps by reason of their exposure to greater international danger, are now more insistent on the need for unity than for independence within the Commonwealth.

The difference, indeed, corresponds to the difference in procedure at the meetings of the League of Nations and at the Washington Conference. At the Assembly of the League, whose debates and discussions have no executive character and are designed to affect the public opinion of the world rather than to bind Governments, the nations of the Commonwealth, while maintaining a friendly association, speak and act with comparative independence. At the Washington Conference, where the realities of naval power and foreign policy were dealt with, the procedure, as set forth in Sir John Salmond's report, was as follows: "Although, in the process of discussion and negotiation, the representatives of the Dominions had and exercised the same right of audience as any other delegates, they never voted separately on behalf of their own Dominion on any question. The final decision in every case was that of the British Empire as an indivisible unity."

V. "THE ROUND TABLE" POINT OF VIEW.

IN view of this conflict of opinion and the present transitional condition of politics, and of the approaching Imperial Conference, it may be useful to set forth the view

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which THE ROUND TABLE holds of the new Imperial problem which has arisen since the war.

(1) The British Commonwealth exists not for purposes of conquest, or exploitation, or power, but in order to secure peace and freedom, and the right to work out their salvation for themselves to all the peoples and races within it. It has, in the past, achieved this result to a remarkable degree considering the world of powerful and warring states in which it is placed, and the difficulties with which it has been confronted by differences in race, language, colour, religion, and so on within itself. War has tormented its peoples to a far less degree than any of the peoples of Europe, and when attacked from without, as occurred in 1914, it has successfully defended its freedom. At the same time, the protection of the rights of the individual and the growth of responsible self-government among its peoples has been steady. This can be seen in the remarkable development of the Dominions, and their achievement by peaceful constitutional process of full national status within the Commonwealth. It can be seen in the introduction into countries, like India and many other areas, of good government, an advanced system of law, education, higher material prosperity, and the ending of brigandage, the slave trade and endless war. Not least can it be seen in the more recent attempt to introduce responsible government into India under the Montagu-Chelmsford reforms, in Egypt, Malta and elsewhere.

It is easy to point to mistakes and defects. There are many respects in which the system of the British Commonwealth has failed. But on the whole it has been an undoubted success, a blessing to its members, and so far from showing signs either of decay or ossification, is manifesting an extraordinary vitality and flexibility in these days of stress and change.

(2) The problem which presents itself to the peoples of the Commonwealth to-day is a far-reaching one. Shall they allow it to dissolve into its elements on the ground

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that it has outlived its usefulness, or that the burdens of membership are irksome to themselves, or shall they sustain it and gradually introduce such changes in its workings as will adapt it to the new needs of the time ?

There are two main arguments for the policy of dissolution. The first is the case of the Nationalist that true nationhood requires an international status or that it will pay the separate parts better to set up on their own. The second is the case of the idealist, that the work of the Commonwealth can now be better done by the League of Nations.

So far as the argument that dissolution would pay is concerned, we think it largely based upon the fallacy that there is a choice between freedom and obligation. There is, in reality, no such choice. If the Commonwealth were dissolved, its units would still be part of a warring world. Indeed, they would be part of a much more warring world, for if the authority and power now exercised by the Commonwealth for peace and order were destroyed, and its break up would instantly cut Great Britain's influence in two, authority and power would pass to more reactionary Powers, and there would probably begin a scramble for its outlying territory. The crises and burdens, the anxieties and expense of maintaining diplomatic services, armies and navies sufficient to enable each of the units of the Commonwealth to stand alone would be infinitely greater than they are to-day. It is very doubtful, indeed, whether any of the units in the Commonwealth can yet afford to dispense with the stability and security which responsible membership of the Commonwealth now affords them. Certainly, as the Great War showed, Great Britain could not afford to dispense with oversea support when the real trial came. And what is true of Great Britain is probably no less true of each of the other units in the day of wrath. The Chanak episode, indeed, was not a consequence of membership of the British Commonwealth. It is what happens all the time in international affairs.

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On the other hand, would dissolution into independent international nationhood really meet the desire for full nationhood? It is obvious that outside the Commonwealth the influence of the Dominions would be, at present, very small. At international conferences the necessity to reduce numbers to manageable proportions results in all the real business being done by a few big Powers. In ordinary diplomacy, it is the naval, military or air force that a nation can put into the scale that counts when serious issues are at stake. Thus at Paris, Belgium, Roumania, Brazil and all the lesser Powers had practically no say, except when their own immediate affairs were at stake. Yet the British Empire delegation, so far as time would permit, discussed every problem of moment, and their view was directly presented in the Council of Four. The position was even more strikingly disclosed at the Washington Conference. If it had not been for their membership of the British Commonwealth none of the Dominions would have been consulted at all. As it was, the naval discussions had gone a considerable way before France and Italy were consulted, and the lesser Powers never had a look in. Yet the representatives of the Dominions took an equal part in shaping from hour to hour the course of British policy. There can be little doubt that, except on the debating floor of the Assembly of the League of Nations, the influence of the Dominions as separate nations in promoting world peace would be proportionate not to the power of their speaking voice, but to the armed force they could each separately throw into the scale.

There does not, therefore, seem to be any solid reason for thinking that it would pay the units in the Commonwealth to dissolve it. Nor, if nationhood means taking an active and responsible part in the affairs of the world in which we live, would dissolution add to their international influence and standing. Is there a way, however, in which all the units can exercise real power and carry real responsibility in directing world affairs, within the Commonwealth?

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We believe there is, but will discuss it in the next section.

Let us now examine the second argument for dissolution. Can the League of Nations do better the work hitherto done by the Commonwealth? This review is a loyal supporter of the League of Nations. Obviously the ideal which underlies it is sound and the great hope of the future. Unless the nations of the world are willing to meet regularly round a table, air their grievances and prejudices, and discuss publicly and in Parliamentary form the problems of the world, there can be no hope of lasting peace. A permanent return to the policy of national isolation and the religion of national selfishness must lead to competitive armaments and another world war. The League of Nations, or some modification of it, is absolutely essential to progress towards the abolition of war, security for national freedom, and the evolution of some more intelligent system of adjusting international disputes than armaments and trial by battle.

THE ROUND TABLE further supports the existing system of representation within the League. In gatherings the main purpose of which is the free discussion of world problems every national governmental entity should be represented, and the more voices that can be raised by the democratic and progressive peoples the better. It is clearly undesirable, as it is politically impossible, that in such a gathering as the Assembly of the League the British Commonwealth, with its peoples scattered all over the face of the globe, should have but a single voice. The more vigorous the activity of every part of the British Commonwealth in the League, after consultation with one another, the better.

On the other hand, it is neither common sense nor in accord with the facts to believe that the League of Nations is now, or can be, for many years to come, an effective alternative to the existing system of maintaining the security and freedom of nations. A considerable change

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both of heart and of mind among the peoples of the earth must come about before the nations can abandon defensive armaments or do without the machinery and methods of diplomacy. The only alternative to every nation being prepared to defend itself and its rights is the formulation and enforcement of laws governing all nations, and while the League of Nations is the means of gradually bringing this about, it is obviously a long way from having succeeded yet. Under the existing Covenant the League of Nations has no executive authority, no money, and no force, save what its members voluntarily give it from day to day. It is in its very nature an organisation for consultation, with a permanent machinery for dealing with relatively non-controversial matters. Its ability and power either to execute its own decisions or to defend its members depends entirely upon the willingness of the leading nations composing it to act on its behalf.

Therefore, for much time to come, the practical conduct of the world's affairs will run on very much the same grooves as during the nineteenth century, with the League of Nations exercising a progressively more potent influence on the attitude of all nations. Anybody who stops to consider the ambitions and policy of nations like Russia, or Japan, or Poland, or tries to estimate what Germany or Italy will stand for a few years hence, or speculates on whether the war-fever has passed from the Mohammedan countries, or on what may happen in China, or on the difficulties which the colour question will introduce into international relations as Asia and Africa stir into life, must realise that we have not yet passed out of the era of force in human affairs, and that it is still as impracticable to rely upon nothing but sweet reasonableness in international affairs as it is to abolish the machinery of law and order, with its policemen and prisons, inside the civilised state.

For these reasons THE ROUND TABLE, while supporting the League of Nations to the full, remains an enthusiastic

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and unrepentant believer in the British Commonwealth of Nations. The time may come when the League of Nations may be able to induce world opinion to create an organic system which will end war by creating the machinery necessary to adjust international problems by constitutional and legal means. When that time comes we can cheerfully merge the British in a world Commonwealth. In the meanwhile the British Commonwealth not only gives freedom and security to its members, but, as will be shown, so far from impeding progress towards that ideal, helps enormously towards it.

If we are to make any progress towards an ordered world it will be because the progressive peoples can exercise real influence and real power within it. Is it really going to help that Russia, or Turkey, or a revived Germany, or a Japan reverted to militarism, or even France and Italy, should find themselves confronted not with the authority and resources of the Commonwealth that did so much to defeat the Prussian menace, but by a number of scattered peoples almost as impotent as were Denmark or Holland in the Great War? There can hardly be two opinions that the British Commonwealth can do more to prevent a repetition of the catastrophe of 1914 than can Great Britain, or Australia, or Canada, or South Africa by themselves.

What the world needs now is not more self-determination, more Balkanisation, but some measure of unity. The greatest cause of war to-day is that self-centred nationalism that refuses all association or comradeship or partnership with other nations. There is only one instance of peoples rising above this devastating and unchristian passion, and that is the British Commonwealth. Yet that unity is based, not upon coercion or authority, but upon the exercise of a free choice. If the nations of the British Commonwealth cannot resist the Balkanising tendency and maintain their unity, what hope is there of the League of Nations giving unity to nations divided by race, language and colour? For if the League is to be effective, it will not

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be merely because 70 suspicious and selfish nations agree to sit round a table, but because it develops a spirit of brotherhood and self-sacrifice among its members, a sense of living for something greater than themselves, which will lift them to the level of subordinating their separate ambitions to the common good, and of shouldering their share of the responsibility of maintaining world peace. Where does that spirit exist to-day, except among the nations of the Commonwealth which sprang to arms directly the Prussian challenge was thrown down, and brought men by the hundred thousand from the ends of the earth in defence of human freedom ?

From every point of view, therefore, whether from that of freedom and self-defence, or of exerting influence for peace and sanity in the conduct of the world's affairs, or of helping forward the League of Nations in its drive for world unity and world peace, it seems to THE ROUND TABLE that the unity of the Commonwealth ought to be preserved. For the maintenance of that unity it stands unequivocally and without reserve.

(3) THE ROUND TABLE does not, however, and never has, believed that the existing system of Imperial organisation was really satisfactory or could work well except under such exceptional circumstances as those of the Great War. It has always advocated that the status and powers and responsibilities of all the self-governing nations within the Commonwealth should be the same. The last thing it wants is in any way to derogate from the complete independence and freedom of action of each of its members, or to claim for Great Britain any place of privilege, authority, or special power. It does not consider that, under present circumstances, with the German menace gone, with the necessary preoccupation of the Dominions with the problems of their own internal development, with the disparity in population of Great Britain and the overseas nations, and above all, perhaps, with the uncertainty that attaches to the part that the United States is going to play in the

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world, that any organic reconstruction of the constitution of the Commonwealth is practical.

None the less, the existing organisation is not satisfactory. On the one side it leaves on Great Britain the responsibility of conducting the foreign policy of a commonwealth which contains a quarter of the people of the globe, and of maintaining at its own cost the diplomatic service and the Army and Navy needed for the purpose, and that without adequate means of knowing whether its policy is approved and its acts will be supported by the peoples for which it is supposed to speak. On the other hand, it gives the Dominions no effective voice in the control of foreign policy and leaves them in a position in which they may be confronted from time to time with the alternatives of taking sides in a dispute or part in a war about whose origin they may know very little, or of leaving the rest of the Commonwealth in the lurch—a decision which might not only gravely damage their fellow-members, but might involve them in internal strife almost amounting to civil war. The realities were vividly brought out in the Chanak episode. Here was an international situation fraught with very grave possibilities for the future peace of the world. The British Government, with its military and financial resources strained to the limit, and deserted by its allies, did not know whether it could rely upon the support of the oversea nations. The Dominions did not know whether the crisis had arisen through mismanagement, or even whether the need was a real one, for every kind of partisan rumour was flying round. Yet time was manifestly all-important. Opinion everywhere was deeply divided. If the crisis had continued there would have been a serious and dangerous situation in more than one Dominion. It is obvious that neither the Commonwealth as a whole, nor the parts of which it is composed, can develop peaceably if they are subjected to these sudden and demoralising strains.

What has happened to bring about this unsatisfactory

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state of affairs ? The Commonwealth is clearly back in the condition in which it was before the war. Great Britain is in practice carrying almost the whole day-to-day responsibility for conducting the affairs of the Commonwealth. The Dominions have few current responsibilities, but they have large contingent liabilities, while, to quote Mr. W. M. Hughes, "in theory we have a voice in shaping foreign policy. In practice our voice is generally a mere echo." The answer in the opinion of this review is clearly this, that both Great Britain and the Dominions have been assuming that victory in the great war meant that there would be no more serious international trouble in the world for a long time, and like the United States, have slipped back to pre-war "normalcy." Great Britain has "carried on" with foreign and imperial policy, and the Dominions have once more become preoccupied with the problems of their own development.

But the solution is not to dissolve the Commonwealth, for reasons already given, but to adapt the system of the great war so far as is practicable to post-war needs. During the war there was no difficulty about status, or consultation, or control, because all parts of the Commonwealth were equally interested in the great problem of the time, and shared in the responsibility for dealing with it, and the constitutional machinery of the Commonwealth adapted itself easily to the task. Nobody at that time thought that the Dominions were taking a dependent part, or that Great Britain was arrogating to herself too great a share. The system of co-operation and consultation worked well because every nation was pulling its full weight.

THE ROUND TABLE believes that the system of consultation could be made to work equally well now, if there was to-day a similar interest in international affairs in all parts, and equal desire to share in the responsibility for maintaining international order and peace. But at present there is not, and that is the root of the difficulty. Instead of everybody being preoccupied with the German menace

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there is a widespread difference between the situation and interests of the various parts of the Commonwealth. Great Britain, for instance, is necessarily much more immediately concerned with Europe than any Dominion. She is also primarily responsible for law and order and progress in India, in Egypt, and elsewhere. Australia and New Zealand are specially interested in the Pacific, South Africa with the affairs of Africa, Canada with North American problems. But for the moment each part is chiefly interested in its own section of the globe, and is thinking little of the problems of the world as a whole. When it comes to realise that its own economic problems are only soluble in terms of the whole; that the real question is whether we are going to drift back to another world war, or whether the progressive nations combine to stabilise the world, as they combined to overthrow Germany, there will not be much difficulty in recreating the same sort of consultative machinery as existed from 1917-20. Whether that day will come soon or late none can say. It depends on events in Europe. It depends upon the policy of the United States. It may not come until Great Britain announces, as she is bound eventually to do, that she is no longer able to guarantee the order and peace of the Commonwealth, by herself, or to assure the security or freedom of the parts.

In the meantime, however, is it not possible to remedy the defects of the present methods within what is practical, and make the system of consultation far more effective and real than it is to-day? We think it is.

Owing to the fact that the High Commissioners are not selected primarily for political or diplomatic qualities, and are overburdened with work of a commercial and consular character, and that Governors-General are now selected for their fitness in discharging a strictly constitutional function, and not because of their ability to inform the Colonial Office about political opinion in the countries over which they preside, the mechanism for mutual information between Great Britain and the Dominions is less effective

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than that which is normal between foreign countries. The Foreign Office has to conduct its affairs in almost total ignorance about opinion in the Dominions, and the Dominions remain in almost total ignorance of what is really going on in the outside world. That does not mean that immense volumes of cables and memoranda do not pass from London to the Dominions. They do. But it means that no amount of paper is a substitute for personal contact, and that without personal contact even informative paper ceases to inform.

It has often been suggested that these difficulties should be overcome by the Dominions keeping one Cabinet Minister always in London, who should hold regular meetings with the Secretary of State for Foreign Affairs, the Secretary of State for War, the First Lord of the Admiralty and the Committee of Imperial Defence. But this proposal was made by the British Government as long ago as 1918, and has been open ever since, and has never been accepted. There are difficulties from the Dominion side in sparing Ministers. It involves a change of personnel with every change of Government. As a matter of fact, it would not, except occasionally, produce the type of man required.

In the opinion of this review the system of Imperial co-operation will only work smoothly during its present phase of imperial and international development if the Commonwealth adopts within itself a quasi-diplomatic system. If the Dominions and Great Britain are to understand one another, it is not secondary politicians nor ordinary civil service officials who are needed as intermediaries, but men of the same character as ambassadors, men, that is to say, who specialise in political and economic observation, who are dissociated from controversial politics, yet who have the standing and independence and pay to enable them to deal with the Ministers of the Government to whom they are accredited on equal terms. A Canadian writer recently wrote: "The Canadian universities are now

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turning out every year scores of young men by whom a Canadian diplomatic service could easily be manned, and the other Dominions ought to be in a similarly fortunate position." If men of this type were sent to London, either as High Commissioners, or under some other title, there would be no serious difficulty in making the co-operative and consultative system far more effective than it is to-day. If their primary functions were to study international and imperial problems, to meet regularly with the heads of the British departments, to keep in contact with foreign Ministers, and where necessary, in person or by deputy to investigate menacing foreign problems for themselves, they would not only be able to keep their Governments really informed, but the representations they would make to their own Governments would have the authority of knowledge and experience behind them, and would not simply be a reflection of the Foreign Office point of view. If any Dominion Government then disapproved of any foreign policy, it could dissent in time, and if the policy was not modified, a special conference could be held, or the whole subject ventilated in Parliament. In any case when crises did arise, as they are bound to arise, each Government would be in a position to enable their Parliaments to decide immediately, and not in the dark but on the merits of the case.

It is also worth considering whether the British Government does not require some equivalent representative in the Dominion capitals. It has now become the accepted practice that Governors-General are appointed only with the consent and approval of the Dominion Governments. That tendency may lead on to Governors-General being selected no longer from England, but from each Dominion itself. In that case some arrangement will have to be contrived for keeping the British Government properly informed about Dominion opinion and affairs. It is, indeed, a question whether the British Government can go on relying for its knowledge of Dominion needs and

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opinion on the reports of an avowedly non-political constitutional Governor-General, and occasional telegrams of protest or enquiry from a Dominion Prime Minister. If foreign policy is to be a Commonwealth and not a British policy, those who are at the centre must be put in a position of understanding the needs and opinion of every part.

Finally there is the correlated problem of treaties and the appointment of Dominion ambassadors to foreign countries. The present constitutional practice has already been summarised. It is that any one of the King's Governments can enter into negotiations with a foreign Power, but that, save in minor matters of purely local concern, inasmuch as its acts bind the whole Commonwealth, it can only conclude them after consultation with the other members and with their consent, a consent which is made effective by the fact that plenipotentiary powers are only issued by the King on the advice of the British Government, which is still primarily responsible for seeing the Imperial policy is consonant with the interests and desires of all parts. Presumably the same limitation would necessarily apply to the acts of any Dominion ambassador accredited to a foreign Power.

This review would welcome the increasing activity of the various Governments of the Commonwealth in international affairs, provided that in proportion as that activity increases, the machinery of consultation with the other members is also perfected. The line of advance which it foresees is not one which subordinates the views of the other Governments to those of Downing Street, but rather which brings every Government more and more in touch with the realities of the world in which we live, and at the same time makes the policy of every part and of the Commonwealth as a whole more and more responsive to the responsible views of every Government through constant consultation between all. There does not seem to be any insuperable difficulty in greatly improving the working of the present consultative system if everybody wishes to do so.

Conclusion

VI. CONCLUSION

THE real question which lies before the peoples of the Commonwealth is whether it is through the Commonwealth or through complete international independence that their own and mankind's best interests will be served. On the answer to that question everything else depends. If the answer is yes, it will not be difficult to work out the machinery of consultation suited to our present times. If the answer is no, no tinkering with machinery will prevent dissolution. The issue will not be answered in an hour or a year. The Imperial Conference will probably not discuss it. Public opinion will only formulate slowly under pressure of thought and event. But sooner or later it will have to be decided.

THE ROUND TABLE believes that when the problem is fully understood the peoples of the Commonwealth will stand in overwhelming majority for the maintenance of the Commonwealth as a constitutional partnership of free peoples, united in an indissoluble allegiance to one another. From one angle it sometimes appears as if the alternatives before them were between freedom on the one side and burdensome responsibilities on the other. That is really a fallacy. We are all living in a world of discord, antagonism, jealousy and hate, slowly struggling, let us hope, towards better understanding and unity and peace. Earlier pages in this article have pointed out how the dissolution of the Commonwealth would not diminish those responsibilities, but would immensely aggravate them, for everybody. Its member nations are perfectly free to urge their views about international policy on their fellow nations of the Commonwealth or on the League of Nations, to dissent from any policy that may be formulated, to co-operate or refuse to co-operate in any action that may be taken. The one thing they are not free to do is to retire into a monastic

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seclusion in which they can shut out the cares of the world in which they live. Resolutions will not affect the price of wheat or wool or meat in the world's market, nor the attitude of Asia about emigration, nor the Turks, nor the Ruhr, yet the future peace, freedom and prosperity of every nation on earth depends on the way in which these problems are solved.

From another angle it would appear as if the alternatives were between dependence inside the Commonwealth and independence outside. That is also a fallacy. The real reason for the absence of an effective control over foreign policy by the Dominions is that they are not for the moment interested in foreign policy and do not exercise their right to participate in the control and to share in the responsibilities of the Commonwealth, as they did during the war, at Paris, and at Washington, and that Great Britain is left to carry practically all the international burden alone. But there is nothing to prevent them from doing so. The real alternatives are between the nationhood which is ready to play an active and responsible part in world affairs and the sort of moral inertness of some of the neutrals of the late war. Independence is not so much a matter of status as of thinking, responsibility and action. We believe that the British nations, when they come to deal with international affairs, will find that they have more real independence and more power as active members of the directing group of the British Commonwealth than in any other way.

But there is a more important aspect still. We are at one of the great turning points of the world's history. The looming military autocracies of Europe have been overthrown. Nationalities everywhere have obtained their freedom. But unless the leading peoples can do something to bridge the gulf of isolation which separates the units in a Balkanised world, it is only a question of time for a competition in military armaments and the growth of autocracies to reappear. The League of Nations is a step in the right direction. But it is still a feeble step,

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and it cannot be a real success until all nations are loyal members, and until it develops a corporate spirit sufficient to induce its members to make sacrifices for one another and to assume obligations for the common good. There is only one commonwealth in the world where such a spirit effectively exists. It is the British Commonwealth of Nations, and the power of its spirit was shown in the great war. Are we going to reject that spirit, sink to the level of the nations who are thinking only of themselves, blast the greatest hope of man and make inevitable another world war, by destroying the only international commonwealth which exists?

For that is what is involved in the issue which now lies ahead. Nothing less. We can lead mankind towards unity and peace, by proving that nations can live for something greater than themselves, and that they can conduct the policy and share the responsibilities of a world-wide commonwealth because they are willing to accept the obligations which partnership in an indissoluble Commonwealth of free peoples entails. Freedom is not to be found in doing just as we please. It is not to be found in isolation from our neighbours. It exists only in active and responsible membership in a community governed by law. We pride ourselves that we have led the world along the road to individual freedom by creating the first commonwealth where law and government were made amenable to popular control. Are we not going to lead it along the road to peace by proving that nations also can find freedom in constitutional unity under the reign of law which they themselves control?

FRANCE AND GERMANY

THIS article is written immediately after the failure of the first attempt which has been made since the French occupation of the Ruhr to reach a settlement by negotiation. A German offer, which was directly invited by the British Foreign Secretary, has been abruptly and scornfully rejected by the French Government. The immediate prospect is unpromising. It would seem to be the duty of all who value peace in Europe not merely to declare their attitude towards the German proposals, but to examine the results of the Ruhr expedition and to state, or re-state, the conditions on which in their judgment a permanent agreement, economic and political, between Germany and the Allies is attainable. If ever there was a time when an honest and candid expression of opinion was called for, it is the present. No purpose can be served by blinking at realities because they are disagreeable, or by repeating catchwords which have lost their meaning. For the British Commonwealth in particular a passive neutrality can no longer be reconciled either with the national interests or with the needs of Europe. We are bound to ask what is to take its place. These, briefly, are the premises on which this article is founded.

Since the first mention of the occupation of the Ruhr Valley as a means, direct or indirect, of extorting reparation payments from Germany, THE ROUND TABLE has been at pains to expose what it regarded as a delusion. The experience of the last few months has confirmed the worst premonitions expressed by this review, and by those who

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shared its views on this subject. The Ruhr occupation has brought, first and foremost, far-reaching economic disorganisation, not reparations but conditions which precluded reparations, not trade but the strangling of trade, not prosperity but waste on a vast scale. France was receiving before the occupation 40,000 tons of coal and coke a day from the Ruhr. In the first three months of French control the total amount of coal obtained was, it is understood, less than the previous daily average. At the present time the deliveries of coal and coke are only one-fifth of those made voluntarily by the Germans before January. Many blast furnaces in France and Belgium have been damped down. The railways of the occupied area, now completely administered by the French authorities with an army of imported engineers, maintain precariously an infrequent and irregular service. A French authority, writing in the *Manchester Guardian*, has estimated that the loss to France in the first month of the occupation alone, on account of military expenses, the cessation of reparation deliveries in kind, the interruption of the iron and steel industry in Lorraine and the premium on all French imports imposed by the drop in the franc exchange, was 500 million francs. Another French critic, who supports the occupation on grounds of his own, says * of it: "It is worth repeating that we have no excuse if we are in the Ruhr only to take coal or reparations. It is obvious that this method of requisition is the most costly, the most complicated and the most dangerous that could be devised."

To Germany the occupation has been economically even more disastrous than to France. With her richest industrial area isolated not merely from the world but from the rest of Germany, her industries are crippled and her export trade languishes. Unemployment has appeared and is increasing. Such reserves of financial strength as the country possessed are being spent in the vain attempt

* *La Nouvelle Revue Française*, May 1923. "Pour une Entente Economique avec l'Allemagne," by M. Jacques Rivière.

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to keep in check the fall of the mark and in purchases abroad of coal and other products normally drawn from the Ruhr. To finance passive resistance and to relieve unemployment the printing press has intensified its activities. Budgetary equilibrium is no longer even an aspiration; in the first three months of this year the expenditure was 6,000,000,000,000 marks, and the revenue only 1,700,000,000,000. The same disorder has overwhelmed the finances of the States, of the towns, and of most private individuals. Services such as tramways, even in large towns, have been partially discontinued, because it is beyond the power of the citizens to pay fares which are themselves quite inadequate to cover expenses. If the process of impoverishment goes much further, it is difficult to see any prospect ahead except that of widespread ruin.

For the world outside France and Germany, the ultimate consequences of the occupation can hardly be in doubt. Exports to Germany are already confined to the necessities of German existence, such as coal and foodstuffs. The British textile industry has lost a valuable market. Countries like Holland and Switzerland, which were largely dependent on Germany for coal and iron and steel, find their supplies cut off. In Great Britain and in Czechoslovakia, on the other hand, where the industrial structure is similar to that of Germany, the isolation of the Ruhr and its repercussions in Belgium and France have led to a temporary prosperity in certain trades, with a sharp rise in the prices of coal and iron and their derivatives. But the contraction of the usual sources of supply is already found to be an inconvenience in industries such as engineering, and the dislocation of the transport system of Central Europe and the substitution on a large scale of waste and inefficiency for the production of wealth must in the long run react disastrously on the trade of the whole world.

These are some of the results, in the economic sphere, of the Ruhr occupation. Its political consequences are no less serious. In Germany the proceedings of the French

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Government have created a unity of feeling and purpose which is the more striking by contrast with the unconcealed dissensions of States, parties and classes during recent years. The belief is universal and sincere amongst the German people that France has exceeded her rights under the Treaty of Versailles and is seeking not reparations but the ruin of Germany. That fraction of the nation which has remained militarist by conviction finds its ranks recruited under the stimulus of French aggression by thousands who had previously listened with indifference to the propaganda of nationalism. The young men and women of this generation are likely to become the chauvinists of the next. Students in the Universities and colleges, who will be the teachers, the lawyers, the public servants, the engineers of the future, are drifting to the Right. "Plainly it is force," they say, "which rules. France holds that faith and acts on it; the rest of the world looks on. How can we meet force in the end except by force?" It is a view which their fathers, who know what war means and have discarded its illusions, find it hard to combat. In this corruption of youth lies a grave danger to future peace, the graver because of the calibre of the generation which is infected. In these times it needs courage and endurance to be a student in Germany, when a man must earn enough to pay his way and acquire learning on short commons. It is the fittest who will survive, and unless peace comes soon, they will survive as disciples of a vicious political doctrine.

For France the Ruhr adventure has put the extremists into the saddle, not for the next generation but for the present. An enterprise, however mistaken, in which the honour and prestige of a nation are felt to be involved effectively silences criticism at home and conceals differences of opinion. There can be little doubt that the policy pursued by M. Poincaré in the Ruhr is regarded with misgiving and anxiety by many of his countrymen. But their voices are scarcely heard, while the extremists of the Right find it easy to advocate their wildest fantasies. For

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the last four months views which would hardly have found room in print before January have filled the columns of the French Press. First came the concerted attack on the Entente and the suggestion of a continental bloc. When that idea withered under Italian repudiation, there was the demand for a new Treaty, to replace the Treaty of Versailles and to repair its omissions, a Treaty which would settle the position of the Saar Valley and establish the Rhine frontier of France, in fact if not in name, a Treaty which Great Britain would take no part in negotiating but might adhere to if she wished. More discreet, perhaps, but in the same spirit have been M. Poincaré's repeated declarations that France demanded the capitulation of Germany, that she could not abate the full claim for £6,600 million in reparation payments, and that French troops would remain in Essen till the last penny was paid. Negotiation and intervention have been made extremely difficult by the mere inertia of French intransigence, which so far has carried the French Government over the cumulative failures of the occupation.

Yet however serious the obstacle to mediation, it was certain that sooner or later the growing peril to Europe and a simple regard for British interests would compel the British Government to take some step towards a settlement. Lord Curzon's speech in the House of Lords on April 20 was the first divergence from the policy of passive neutrality. The Foreign Secretary reaffirmed the importance of the Entente with France as "the one solid and stable factor in a world of flux." He reminded the world of the proposals for a settlement of the reparations question which had been made by Mr. Bonar Law in Paris in January. They remained open, though in no way "stereotyped or immutable in detail." Whilst expressing a full recognition of Germany's difficulties in the face of the attitude of France, he repeated "advice consistently given to the German Government," that they should make an offer. "I cannot help thinking," he said, "that if Germany were

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to make an offer of her willingness and intention to pay and to have the payments fixed by authorities properly charged with the duty, and if she were, at the same time, to offer specific guarantees for the continuing payments, an advance might be made." As regards security, Lord Curzon's words were "We are also willing at any suitable time in the future to discuss plans or proposals, but this cannot be carried out by the dismemberment of Germany or the setting out of a new and running sore in the heart of Europe. And if guarantees are to be given they should be of a reciprocal nature." There were ambiguities in this speech—what was meant, for example, by "authorities properly charged with the duty" of fixing payments?—and also perhaps an unnecessary insistence on the reality of an Entente which exists only in name. But with these qualifications Lord Curzon's declaration was admirable both in form and manner. It seemed to mark the end of the period of "benevolent impotence" in British policy.

Its effect was seen almost at once in the note addressed by Germany to all the Allied Powers with proposals for a settlement. As the German offer has been widely criticised, not merely in France and Belgium, as inadequate and unacceptable, it is worth while repeating here in a brief summary its main provisions. The financial proposals were those known as the Bergmann scheme which had been prepared for submission to the Allies at Paris in January, but neither presented nor published. Germany's liability was fixed at £1,500 million, of which £1,000 million was to be raised by foreign loans before 1927, £250 million by 1929, and a further £250 million by 1931. On any part of the total not covered by such loans interest at 5 per cent. and a sinking fund of 1 per cent. would be provided. In other words, Germany would pay either £1,500 million in full settlement before 1931 (on the most favourable assumption as to the prospects of foreign loans to Germany) or, on the least favourable, £60 million a year from 1927 to 1929, £75 million from 1929 to 1931, and £90 million

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a year from 1931 for about 36 years. Payments in kind would be included in these amounts. The German Government expressed the opinion that this offer went to the utmost limit of Germany's capacity to pay, but proposed, if that view was not accepted, that the whole reparation problem should be submitted to an impartial international commission. The note enumerated the conditions on which alone Germany would be able to stabilise her currency and meet her reparation liabilities—"that high-handed seizure of pledges and sanctions should cease in future and that Germany should be freed from its present burden of unproductive expenditure and from its political and economic fetters." As to guarantees of payment, suitable measures would be worked out in agreement with the international loan syndicate and the Reparations Commission.

On the subject of security the German Government followed the indications of Lord Curzon's speech. They expressed their readiness "to conclude any agreement to ensure peace based on reciprocity," either through a Franco-German Arbitration Treaty or in some other way. The note had begun with a reference to the Ruhr and a declaration that "passive resistance will be continued till those territories occupied beyond the Treaty of Versailles have been evacuated and conditions in conformity with the Treaty have been restored in Rhineland." It ended with a statement, which might be taken, but apparently was not intended, to mean that the restoration of the *status quo* must precede any negotiations.

The phraseology of the German note, clumsy and provocative, diverted attention from its contents. A competent draftsman could have said all that was said in the Note and yet have made it difficult for France to reject the offer without discussion. For on their merits, however much the German proposals may be open to criticism in detail, they offer a reasonable basis for negotiation. £1,500 million is considerably less than any of the mini-

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num amounts yet suggested by the Allied Governments. But it does not differ materially from the estimate recently made by many competent authorities in this country as to Germany's capacity to pay; and in the suggestion for reference to an impartial international commission the German Government offered the only possible safeguard against under-assessment. The real weakness of the financial proposals, in our opinion, lies not in the amount offered, for that is elastic, but in the unwarranted confidence which the German Government appears to feel in the practicability of large international loans in the near future. It is inconceivable that Germany could borrow abroad in the next four years more than a small fraction of £1,000 million, and as there is no other means open to her of making substantial payments at present, a moratorium for some years will have to be a part of any reparation settlement which is to work. Unlike the British scheme of January last, the German proposals contained no inducement to Germany to pay quickly; indeed, in spite of the prominence given in the Note to early payment from the proceeds of foreign loans, money so raised would almost certainly cost more than the 6 per cent. for interest and sinking fund proposed to be paid to the Reparations Commission from 1927 onwards on the outstanding amount of the debt. These criticisms are important, but they do not impugn the sincerity of the German offer, or affect our judgment that it deserved serious discussion.

That, at least, it never received. It was rejected in advance by the French Press, and within twenty-four hours of its receipt by M. Poincaré. The Franco-Belgian reply to the Note was a blank negative. No German proposal would be entertained so long as passive resistance in the Ruhr continued. France and Belgium could not agree to any reduction of their claims, except as a set-off to the cancellation of Inter-Allied debts. They would evacuate the occupied territory only as payments were made. They were forced to see in the German Note "nothing more

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than the hardly veiled expression of a systematic revolt against the Treaty of Versailles." It would be difficult to find behind the uncompromising language of this reply any loophole for a settlement. The moment of their reply was chosen to inflict on the directors of the Krupp concern the outrageous sentences of fifteen and twenty years' imprisonment on a charge which was, as far as one can judge by what has appeared in the Press, unsupported by the evidence.

Yet the failure of this first attempt makes it, in our view, more than ever imperative that the British Commonwealth should without delay define its programme for the restoration of peace in Europe, and exert all its influence to that end. France and Germany are powerless of their own initiative to find a way out of their troubles. America is indifferent, and only the British Commonwealth is in a position effectively to mobilise world opinion in favour of peace. The task, no doubt, is extraordinarily difficult, but it has yet to be proved to be impossible.

Any settlement which is to be permanent must fulfil certain conditions. In the first place it must fix the amount and the manner of reparation payments by reference to what Germany can pay and how she can pay. The Treaty of Versailles settled the heads of an invoice and left it to the Reparations Commission to fill in the charges. No one asked whether the debtor was a millionaire or a pauper. It is true that the Treaty prescribed a reduction in the bill if the debtor could not pay; but the actual reductions which have been made hitherto have followed on a bargain between the creditors and not from an impartial estimate of the debtor's capacity. That procedure is incompatible with a final settlement. A point has been reached at which Germany can no longer make serious payments on reparations account until her currency is stabilised and her finances restored. Neither of those conditions can be met until the world's financial authorities know what is Germany's maximum reparation liability and

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are satisfied that it is reasonable and within her power to pay. It follows that the needs of France and Belgium cannot be the determining factor in fixing Germany's debt. The test should be, "Is the amount as much as Germany can reasonably be expected to pay, neither less nor more?" Germany is powerless to solve the immediate financial problems of France: France must solve her own. That is a hard saying, but it is the beginning of reparations.

The second condition of reparations payments is that Germany should be free to work and produce without hindrance or obstruction. The foreign debt is a charge on German industry and a charge which can only be met if that industry is prosperous. Every form of interference—the occupation, visible or invisible, of the Ruhr, the erection of customs barriers, the requirement of import and export licences—by hampering the debtor must in the end curtail the receipts of the creditor. If security for payment is what is wanted, it will never be found in "productive pledges." The Treaty of Versailles provided for the occupation of the left bank of the Rhine for 15 years, or for a longer period if Germany was in default in reparations payments. When once her obligations are fixed on a reasonable basis, it is difficult to imagine what greater inducement there can be to Germany to meet them than the knowledge that fulfilment means the liberation of an important area of Germany with its population of eight millions. The French policy of seeking for a guarantee of payment through measures such as foreign control of German finance or French supervision of the mines and works in the Ruhr rests on the assumption that Germany cannot be trusted to carry out any of her undertakings. If that assumption were correct, the proper inference from it would be that reparations were unobtainable. In the last resort the value of any settlement must be to a great extent dependent on German good will.

Reparations are one element in a European settlement. The other is the protection of France and Germany from

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one another. The problem is two-sided, as Lord Curzon has recognised, and on any other presentation is insoluble. A great deal has been heard in recent months of schemes to ensure the security of France from German aggression by interposing between the two countries some kind of neutral barrier. The notion of a Rhineland republic still lingers in certain circles in France. M. Loucheur is the father of an ingenious scheme for a demilitarised area along the Rhine, still under German sovereignty but controlled by an international gendarmerie predominantly French. Enthusiasts in this country, undeterred by the example of a similar régime in the Saar Valley, where it is now an offence punishable with five years' imprisonment "to cast discredit in public on the Treaty of Versailles," have advocated a buffer state under the governance of the League of Nations. We believe all such proposals will founder on the rock of German national feeling. It is idle to attempt to reduce, by means so artificial, the numerical disparity between the populations of France and Germany. The Treaty of Versailles furnishes many safeguards to France. The relations between states, however, are not to be interpreted only in terms of war and military strength. Peace belongs to another category and by far the best guarantee France can win for the future is to convince her sister democracies that her policy is based on moderation and justice.

If British policy is to be constructive it must be built up from the frank acceptance of these conditions of success. We believe that the moment has come for a declaration by the British Government that in the interests of the whole world a settlement of the problems of reparations and Inter-Allied debts is imperative. To that end the Government should, we think, propose that the question of reparations should be referred to an impartial international Commission, which would determine Germany's capacity to pay and the methods of payment, and would be free to indicate the conditions on which it considered that Germany would be in a position to meet the obligations imposed on her.

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The German Government has expressed its willingness to abide by the decisions of such a Commission, and the British Government would give, and invite the other Allied Powers to give, a similar undertaking. As an alternative to a Commission the Government might propose an immediate conference of the creditor powers with Germany. When by either of these methods the amount and the manner of reparations payments had been determined, it would remain for the Allied Powers to decide amongst themselves in what proportions German payments should be allocated between them and what arrangements should be made in regard to the Inter-Allied debts. It is in the power of the British Commonwealth to facilitate this consequential settlement. The moral authority of Great Britain has undoubtedly been impaired in the eyes of France by insistence on the principle that French and British claims to reparations should rank *pari passu*. THE ROUND TABLE has consistently advocated the most generous treatment of France by Great Britain in any financial settlement. It is a simple matter to defend the opposite view, to argue with point and force that this country cannot afford to carry the burden of its debt to America if it is to cancel the debts of France and Germany to itself. We hold that there is something which Great Britain can still less afford, and that is the continuance of uncertainty and of economic disorganisation in Europe. A settlement which would terminate the present state of affairs would be cheap at almost any financial sacrifice on paper. Moreover, the equivalence of the British claims for war pensions with the French for restoration seems to us to be morally as bad as it is foolish practically.

A British pronouncement such as we have suggested might have results immediately favourable. It is possible, perhaps probable, that it would not. But whatever the prospects, it seems to us right and necessary that a move of this kind should be made by the British Government. Right because the interest of the British Commonwealth in an early settlement is a world interest. Necessary

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because a clear and decisive statement of British policy, however it may be received for the moment, must in the end bring a settlement nearer. The authority of this country has been gravely impaired by the attempt to remain neutral on a moral issue such as the legality of French proceedings in the Ruhr. The British Government has endeavoured in recent months to avoid both approval and disapproval of French action, to remain associated with the organs appointed for the execution of the Treaty without the power to influence their proceedings, to be responsible for their decisions and yet not responsible. It is a false and ignominious position, and one which in our view has encouraged France openly to disregard British interests. If in response to British proposals such as we have advocated, France should persist in her present determination neither to accept the decision of an international Commission on reparations nor to meet the German representatives in conference without a preliminary declaration by Germany of her unconditional surrender, it would in our view be the duty of the British Commonwealth to withdraw from the Rhineland and Reparations Commissions and to make it clear to France that there was an end to the Entente. To that course there could be no alternative except subservience to French aims, aims which are repudiated alike by the reason and conscience of the British people. It rests with France whether the Entente shall perish or again become "a solid and stable factor"—in the words, at the present moment a mockery of the truth, which Lord Curzon has applied to it.

KENYA

I

IT is some years since the Indian problem in Kenya entered upon an acute stage, and it has now reached a crisis. It is said that the white settlers go so far as to contemplate armed resistance to any settlement that materially conflicts with their ideas. Deputations have arrived in London from both the European Colonists and the Indians, a representative of the missionary body has come to watch over the interests of the African native, and a further deputation is here from India to express Indian public opinion. More than this, a delegation has been sent by the European settlers to bring their case before the Dominions; just as the Indian colonists have put their standpoint before the people of India. The whole Empire is, indeed, deeply concerned in the solution of the problem.

For its understanding it is necessary to set out a few facts of the history and geography of Kenya, though they may be already known to the readers of *THE ROUND TABLE*.* Kenya, or, as it used to be called, British East Africa, has an area of some 246,000 square miles, and the Equator passes through the heart of it. The northern part is largely desert and need not concern us; on the south as we go west from the sea, the coast is succeeded by a low-lying belt, which gradually rises until at Nairobi it attains an elevation of 5,500 feet, and portions of the high country rise to 8,000 feet and over. The high country descends gradually to the shores of Lake Victoria Nyanza, which is here the western boundary of the colony. The

* See *THE ROUND TABLE*, No. 46, March, 1922.

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larger part of Kenya consists of a plateau of varying height. In South Africa a great deal of it would be described as "high veld," but in equatorial latitudes to find a temperate climate one must climb higher than is necessary south of the tropic of Capricorn.* The higher region to which the European settlers have for the most part been attracted is known as the Highlands. It covers roughly between forty and fifty thousand square miles, say something over a sixth of the total area of the colony.

According to the census of 1921, the population consists of 9,561 Europeans, 22,822 Indians, and from $2\frac{1}{2}$ to 3 million native Africans. The European total includes officials, missionaries, commercial and professional men, indeed whites of every kind, as well as settlers. Besides the Indians there are some ten thousand other Asiatics, including Arabs. The Indian element consists in the main of three classes, clerks and subordinate officials in the Government and railway administrations or commercial houses, artisans, and shopkeepers or traders. There are also a few better class merchants and professional men. Indian agriculturists are so few that they may be disregarded for the purpose of this article.

The African natives, who are partly pastoralists and partly agriculturists, are not found exclusively in the hotter districts. Some of the tribes, the Kikuyu for instance, live in the cool Highlands. Generally speaking, the natives are still in a primitive condition, and it is not long since wars and raids were of frequent occurrence, though the authority of the white man has now put an end to them. It is, however, generally agreed that they have plenty of intelligence, and are capable of development.

The country is administered by a Governor with the assistance of a Legislative Council of 18 officials, 11 elected Europeans (non-official) and 4 nominated Indians,†

* Sir George Buchanan, in "Wanted a Policy," gives the number of square miles under 4,000 feet in altitude as 196,000.

† The number was changed from two to four in 1921.

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but as the Governor has the power to override the decisions of the Council, its functions may be described as mainly advisory. The Governor himself takes his orders from the Colonial Office, in whose hands the political control really rests. Along the greater part of the coast a ten-mile strip nominally belongs to the Sultan of Zanzibar, but Whitehall also rules it by virtue of our Protectorate.

Turning now to history, it is only necessary to remind the reader that the country, like India, was at first administered by a trading company which surrendered its charter in March, 1895, that it then came under the Foreign Office, by whom it was in turn transferred to the Colonial Office in 1908. Indians had long been familiar with the coast, Mombasa being easily accessible from Bombay, and enterprising traders from Kathiawar and Gujerat, chiefly Mohammedans, established themselves there, though they hardly penetrated into the interior and their influence beyond the coast strip was negligible. In 1896, however, work was begun on the Uganda railway. The cost of importing white labour was prohibitive, and, the African not yet being capable of the work, numbers of labourers were brought across from India. As the railway progressed, artisans, mechanics, clerks and signalmen were also obtained from India, and many of these employees remained in the country. The railway also made the way possible for white colonisation, and here again, the Indian builder and contractor found fresh opportunities, while the Indian trader began to drive a flourishing trade with the simple Africans of the interior.

But what, the English reader may ask, is all the trouble about? There seems to be plenty of room in the colony for everybody. If what we read in the papers is true, less than 11,400 square miles have been alienated.* If the Indians and whites do not like each other, Nature herself

* According to a retired official in the *Manchester Guardian* of April 28 last, the Europeans have a legal title to 11,375 square miles and the Indians to 22 square miles.

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appears to have specially arranged things to prevent a clash, as the altitudes to which white settlement is for climatic reasons restricted must be unsuitable for immigrants from India. The African native, too, seems to benefit in that he gets things he wants from Indian traders. The matter is not quite so simple as the statistics might suggest. The complications will, however, be dealt with in the next two sections, in which the more salient claims are described, and an attempt made to explain the attitude of the contending parties.

II

THERE are four main points involved in the dispute :—

- (a) The reservation of the Highlands for Europeans.
- (b) The restriction of immigration.
- (c) The commercial and residential segregation of Indians in towns.
- (d) The franchise.

But before dealing with these issues, it is necessary to give a short account of the history of the Kenya Indian movement. It may be said to begin with an agitation in 1906. There had long been unrest among the Indians in South Africa, and it was about this time that the political movement in India first became acute. The only event, however, to which we need refer before the war is Lord Elgin's decision in 1908, which restricted grants of land in the Highlands to Europeans.* The real history of the movement begins after the war. The war itself and what followed it naturally gave a great impetus to the Indian Nationalist movement. The doctrines of self-determination and the rights of weak nations were eagerly adopted ; we ourselves had taught the Indians democratic principles,

* He decided with regard to the granting of land to Indians that it is not consonant with the views of H.M. Government to impose legal restrictions on any particular section of the community, but, as a matter of administrative convenience, grants should not be made to Indians in the upland areas.

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and the Reform Act of 1919 was framed upon those lines. It was inevitable that the movement in India should find an echo in other parts of the Empire where there were large numbers of Indians.

In March, 1919, an incident should be mentioned which helped to fan the flame of Indian discontent in which wounded self-respect plays a considerable part. Language was used in the report of a local economic commission, which gave offence to the Indian community. The Secretary for the Colonies, Lord Milner, dissociated himself from the sentiments so expressed, but feeling remained strong.

In the same year adult suffrage was granted to the European population. Before that time the Legislative Council had contained no elected members, and the change was bound to react on the Indian movement. The next milestone was Lord Milner's scheme in May, 1920, the first attempt that had been made at a general settlement. His proposals may be summarised as follows :—

(a) There was to be strict reservation of the Highlands for Europeans.

(b) The immigration of Indians was to be regulated only by the Protectorate Ordinances * which were of general application ; otherwise there was to be no bar.

(c) The principle of segregation was to be maintained on grounds of sanitation and social convenience. This carried with it the corollary that transfers of land in townships from one community to the other were forbidden.

(d) Two Indian members were to be elected to the Legislative Council upon a special franchise, and a similar principle was to be followed in municipalities.

To these proposals the Government of India took exception in the following October. As regarded the franchise, they asked for a common electoral roll. They admitted most of the Indians to be unripe for the adult franchise of

* Immigrants have to deposit the following sums : Europeans 750s., Asiatics 200s. The sums were based on what originally was the equivalent of the return passage money to the immigrant's own country.

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the Europeans and that the vote could not be taken away from those who already held it. They proposed, however, a reasonable property basis and an educational test for all British subjects without racial discrimination in cases of future admission to the roll. As regarded the Highlands, they considered that Lord Elgin's ruling of 1908 did not prevent transfers of land to Indians but only original grants. They deprecated compulsory segregation, which was resented not only by East African Indians, but also by educated opinion throughout India, and they considered that sanitation and social convenience could be adequately secured by mutual consent, by strict enforcement of sanitary and building laws, and by a just administration of municipal revenues. The question was referred to the Joint Committee of Parliament on Indian Affairs, which, after taking evidence on both sides, recommended in July, 1921, acceptance of the principles laid down by the Government of India and the despatch of a Royal Commission to Kenya. No such Commission was, however, actually sent. Mr. Winston Churchill had become Secretary for the Colonies in the previous February and Lord Milner's proposals were dropped.

In this same summer the Imperial Conference met in London, and a resolution dealing with the Indian immigrant problem was passed, South Africa dissenting. As this resolution affirms principles to which both the Indians and the White Settlers appeal, we set it out in full.

The Conference, while reaffirming the resolution of the Imperial War Conference of 1918 that each community of the British Commonwealth should enjoy complete control of the composition of its own population by means of restriction of immigration from any of the other communities, recognises that there is an incongruity between the position of India as an equal member of the British Empire and the existence of disabilities upon Indians lawfully domiciled in some other parts of the Empire. The Conference accordingly is of the opinion that in the interests of the solidarity of the British Commonwealth it is desirable that the rights of such Indians to citizenship should be recognised.

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A policy of marking time was now adopted. A local Public Health Ordinance was recommitted from Whitehall with certain segregation clauses cut out and a notice creating a European reservation in Mombasa withdrawn. It was also stated that no reservation would be proclaimed or sales of township plots held in Kenya at which Asiatics are precluded from bidding. In point of fact, such sales are, we understand, at the present moment still suspended. It was further announced by the Governor in October, 1921, that no radical change would be made until the three-year term of the then Legislative Council had normally expired—*i.e.*, in February, 1923, and that he would nominate one Indian member to the Executive Council and four to the Legislative Council instead of the usual two, as an interim measure. These measures were temporary. In India, where feeling was high, the Press was officially informed that they were taken not to prejudice the principle of segregation and to permit of future consideration.

The next thing that calls for reference is a declaration made at an East African banquet in London in January, 1922, by Mr. Winston Churchill. In view of the importance that has been attached to it, we give the relevant passages.

You have (said Mr. Churchill) an Indian question there (in Kenya) which is a burning question. No doubt you know that we have laid down the principle that so far as is practicable colour is not by itself to be a bar. . . . We wish to apply broadly and comprehensively Rhodes's principle of equal rights for all civilised men. That means that natives and Indians alike who reach and conform to well marked European standards shall not be denied the fullest exercise and enjoyment of civic and political rights. The standard to be adopted is obviously a matter in which the European community have a right to be fully consulted. All future immigration of Indians shall be strictly regulated, and the same principle of equal rights and conditions for all civilised men shall rule in respect of immigration laws as in all others. . . . We do not contemplate any settlement or system which will prevent British East Africa, or Kenya, as it is now known, becoming a distinctively British colony,

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looking forward, in full fruition of time, to complete responsible government.

The Indians were bitterly disappointed. In India itself a resolution of protest was passed by the Legislative Assembly on February 9, 1922.

On August 22 of this same year, the League of Nations issued the British mandate for Tanganyika, or German East Africa, as it was formerly called. It has an important bearing on the Kenya problem, for Article 7* obliges the mandatory to secure to all nationals of States which are members of the League the same rights in the territory as are enjoyed by his own nationals, and India is a member of the League.

We will now come to the second comprehensive scheme which has been proposed by Whitehall. It was put forward in September, 1922, by Mr. Churchill; and as it appears to have largely formed the basis for the proposals adopted by the present Government, it needs a special reference. It has never been published, but the following seem to have been its main provisions :—

1. *Franchise*.—Common electoral roll for all British subjects.
2. *Qualifications*.—A basis, whether property or educational, to be laid down which will give approximately 10 per cent. of Indians the vote. All Europeans at present on the register to be retained, but new voters only to be added if they possess the required qualifications.
3. *Legislative Council*.—An official majority to be retained. Two alternative plans are put forward, both giving Europeans a majority.
4. *Executive Council*.—Nomination by the Governor, with at least one Indian member, to continue. In deciding on the fitness of persons for membership no distinction to be made between Europeans and Indians.

* The opening paragraph of Article 7 of the Mandate reads as follows :—
“The Mandatory shall secure to all nationals of States members of the League of Nations the same rights as are enjoyed in the territory by his own nationals in respect of entry into and residence in the territory, the protection afforded to their person and property, the acquisition of property, movable and immovable, and the exercise of their profession or trade, subject only to the requirements of public order and on condition of compliance with the local law.”

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Other provisions laid it down that there was to be no segregation on racial lines, no change in the immigration regulations, and no changes in the existing law and practice in the Highlands.*

At that time, as at present, immigration was practically free and Indians were and still are not allowed to obtain land in the Highlands either by grant or by transfer.

The next important date is January, 1923. The term of the Kenya Legislative Council was to expire in February, and a decision could no longer be postponed.† A Conservative Government had, in November, 1922, succeeded the Coalition in Great Britain, and in January a project which is generally known as the Wood-Winterton scheme was sent out to the Governor. Like Mr. Churchill's project, it has never been published, but it was put before the disputants in Kenya. The main provisions, as reported in the Press, were these :—

(a) A common electoral roll so adjusted as to include about 10 per cent. of the Indians.

(b) An arrangement of constituencies which would give Europeans seven and Indians four members, at the same time maintaining the official majority.

(c) Some kind of municipal franchise for Indians.

(d) No embargo on immigration.

(e) Reservation of the Highlands for Europeans.

(f) No compulsory segregation, full power being given as a substitute to control building and sanitation.

A storm among the European settlers followed the arrival of these proposals. The Indian attitude seems at first to have been one of watchful acquiescence, but on February 26 the European settlers passed a resolution which, while protesting loyalty to the Throne, hinted at "action prejudicial to His Majesty's peace, and abhorrent and ruinous to themselves." The Indian attitude now also

* This is an adaptation from a summary in the *Daily News* of May 2, 1923, by that newspaper's diplomatic correspondent, who stated that he wrote with Mr. Churchill's scheme before him.

† The elections for the new Council have now been postponed till February, 1924.

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stiffened. They threw over the 10 per cent. suggestion of the Colonial Office for the franchise, and demanded "equality in every respect."* They also decided to oppose segregation and all immigration restrictions. The Legislative Assembly and the Council of State telegraphed from India almost identical resolutions in support of these demands, together with a protest against the violent attitude of the white settlers. The result was an invitation to all parties to confer at Whitehall, and as this article goes to press conversations are proceeding.

III

WE now come to the contentions of the opposing parties. As far as the Highlands are concerned, the Indian's plea is that Lord Elgin's restriction only affected original grants, and practically all the available land in the Highlands has now been granted. There is nothing in it, he contends, to prevent transfer to Indians, and Lord Elgin expressly disclaimed the idea of imposing restrictions on any particular section of the community. The white settlers reply that, whatever the wording, the intention was clearly to keep the Highlands for Europeans, and the declarations by successive Colonial Secretaries have confirmed this policy.

The franchise is at present confined to the white community which enjoys adult suffrage. The Indian bases his claim to it both on his numbers and on the fact that he pays more in the way of taxes and rates than the white colonist, and he claims municipal rights for the same reasons. But his main plea rests on his citizenship of the Empire, to which we shall return later.

* In the Council of State in India, however, the Right Hon. Mr. Sastri, on March 5 last, is reported to have stated that the Indians in Kenya did not ask for universal suffrage, nor that the Legislative Council of Kenya should be composed of Indians according to their numerical strength. They were content if the number of Indians in the Legislative Council was less than half.

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As regards segregation, the Indian case is that compulsion is galling and unnecessary. If the Indian quarters in the townships are insanitary, the blame, they say, must rest upon the municipal authorities who have neglected them, although the Indian pays in rates more than the white inhabitant. The European replies that he cannot afford to take risks where health* and morals are concerned, and that the manners and customs of the Indians who come to Kenya are not compatible with European standards of sanitation. If white men and Indians live side by side the younger generation would be apt to take in moral ideas foreign to western civilisation, and from the western standpoint undesirable. It is further pointed out that in India the Caste system is itself the most rigid system of segregation that could be imagined.

But no formal statement of claim will by itself enable the reader to understand the attitude of either white settler or Indian. There are wider considerations which have a greater importance, and this is especially so in the case of the immigration controversy.

The Conference is concerned not so much with definite facts as with a conflict of principles. Therein lies the difficulty. Two of the cardinal points of disagreement, race-segregation and the reservation of the Highlands, might easily be settled without injury, or indeed loss of dignity, to either side, for the Indians of the lower class do not want to live amongst Europeans, and to those who have adopted the European mode of life the objections would be less serious. They are, for one thing, few in number. The Indians on their side, as far as agriculture is concerned, might well waive their opposition to the land policy, for very few of them are agriculturists, and even in India, they do not cultivate on a large scale in the higher altitudes.

The main difficulty in arriving at an agreed solution on

* He refers to the report of Professor Simpson in favour of segregation in 1910.

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these points is really psychological. The Indian, both in India and in Kenya, regards all such matters far less from the practical point of view than from that of national self-respect. Suffering, as he does, from a sense of inferiority, a jealous distrust of any solution except complete uniformity is inevitable. Agreement has, moreover, been made a thousand times more difficult by the heat which the controversy has engendered. Violence has bred violence in attitude, and the more determined the one side not to yield, the more insistent the other has become in its demands. These psychological difficulties also affect the franchise and the immigration questions, but here the difficulty is even greater because there arises a real conflict of principle to which we will come in a moment.

The Indian regards Kenya Colony as a test case by which to prove the sincerity of his admission to the rights of Empire citizenship, which were, he points out, admitted by the Imperial Conference in 1921. He does not dispute the right of the self-governing Dominions to determine the composition of their own populations by regulating immigration, but he claims the protection of the Imperial Government in respect of the Crown Colonies, and he fears that if he yields here he will be held to have surrendered his claim everywhere else. The Indian's position within the Empire is in fact peculiar. Alone among its non-white races, he possesses a civilisation which is capable of intelligent enterprise, and yet is not that civilisation which rules the white Dominions. India is no longer content with a subordinate position. Like other nations when they begin to be conscious of nationality, she aspires to enterprise in foreign lands, and not unnaturally she resents any restriction on her freedom of action, unless it is equally applied to other nationalities. And even if it were so applied in the matter of immigration, though her objection on the ground of stigma would be met, with so much of the Empire closed to her, she would still, her representatives make clear, protest against her right of

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entry being limited in a country to which her people were accustomed to go before the era of British rule in India. As to the value of Indian work in East Africa, statements by a number of authorities, including Sir John Kirk, Sir Harry Johnstone and Mr. Winston Churchill, are referred to. Lastly the Indian points to the military service India rendered in the war and before it.

In the case of the white settler, fear is at the root of his attitude, just as it underlies that of France towards Germany. He feels himself to be upon the defensive, and the Indian to be the assailant of his lawful citadel. His position of ascendancy belongs to him, he claims, not only as the dominant race, but as the real pioneer, for the Indian, he adds, never ventured into the interior till the white man made the way safe for him. The leadership, the capital required for the railway works, the responsibility for the administration of the country and the loss in case of a deficit are all British. And his fear is not without grounds. East Africa is never likely to attract more than a relatively small number of European settlers. On the other hand, he sees India with a population of 319,000,000 with a slender margin between its masses and absolute want. Nor is he reassured by the fact that comparatively few Indians have hitherto come to Kenya—in at least one recent year more have left Kenya than entered it—or by the belief of many who know India that a large influx will never take place, the Indian peasant being notoriously unwilling to leave his own home. He knows there is to-day no demand in India for an outlet for agricultural settlement, but his eyes are fixed on the far horizon. And even as regards the immediate future, he is convinced that if the country goes ahead, its prosperity will in any event attract large numbers of Indian immigrants bent on trade. If the Indian is admitted, as has been proposed, to a common electoral register, even on the basis of a franchise restricted to 10 per cent. of the Indian population, and if at the same time unlimited immigration is

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permitted, what, it is asked, is to prevent the Asiatic from eventually dictating the policy of the country through the electorate, if not through the numbers of the Legislative Council? The two points are intimately connected. If to free immigration were coupled the condition that both franchise and representation should remain at levels and be fixed on a basis which would suffice to safeguard Indian interests, but not permit more than a certain degree of elasticity in the event of a great influx, the danger of domination might be avoided. Or again, if the franchise upon a common electoral register were to be restricted practically to those now in the Colony, the objection would be weakened. But whatever safeguards may be devised to meet his anxiety—and statements have appeared in the Press which suggest some willingness on the Indian side to make concessions on this point—the white settler looks upon any kind of common roll as the thin end of the wedge. The policy of Downing Street might some day change. It is, say the European colonists, in effect, the certainty that sooner or later the Indians, who already outnumber the white men in the ratio of about 5 to 2, will be so overwhelmingly disproportionate, that makes us determined to forestall danger while there is still time. It is pointed out that the percentage of Indians who have a vote in their own country is far less than 10 per cent. of the whole, and it is asked how many of the Kenya Indians would be included in the enfranchised percentage if they were at home again. Political unrest is also, the White Settler says, being brought into the country from India, and the African native population may become infected. In any case the Indian is, he adds, a bird of passage who sends his savings out of the country.

But we are only now coming to the real conflict of principle. The native African, whose numbers are in the neighbourhood of 3 millions, was in the earliest stages of the controversy hardly considered at all. But as the question grew in importance it began to be seen that after all he was

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the most important factor in the situation. This is now, we believe, recognised by both Indians and Europeans. We may put aside the accusations that the cause of the African has been selfishly used by each side to gain particular ends. Men of religion such as the Bishop of Uganda and various missionaries have particularly emphasised the need of remembering his side of the case.

The African native issue is, then, at the root of the whole controversy. Had it only been a question between the white and the brown man, a solution by compromise might have been found. But it is not.

The Milner solution of 1920 has gone by the board. The Churchill solution has proved equally unacceptable. The real solution has still to be found, but the atmosphere is clearer, for the dispute has now emerged upon larger ground. It is upon his trusteeship that the white settler now mainly rests his case, the effect that racial contact is likely to have upon the African, the principle of the resolution passed by the Imperial Conference in 1918, which was reaffirmed in 1921; the need, too, of keeping British ideals of civilisation as well as of government pure and undiluted, for the sake of his ward as well as of his own children. On the other hand, what proof is there, he asks, that the Indian has any genius for governing other races? His claim to be the dominant race the white settler has not abandoned,* but it is a dominance that he now recognises to be bound up with the interests of the African millions. Their chiefs entrusted them by treaty, he claims, to British care, and not to a care that might become Indian, or even composite. In the same way, the Indian spokesmen have admitted that all claims must be tested by the effect they are likely to have upon the progress of the African, though they stoutly maintain that their presence is in his interest. They claim, too, that they

* This view has had official support. In March, 1919, the Governor, in reply to an Indian deputation, is reported to have said that the principle had been accepted at home that this country (B.E. Africa) was primarily for European development, and whereas the interests of the Indians would not be lost sight of, in all respects the European must predominate.

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get on well with him not only in East Africa but also in other tropical countries like Uganda, where their relations with the whites are also good. With these considerations we shall, however, deal in the next section.

IV

SUCH are the main features of the Kenya problem. What is to be the solution? Clearly, the first need is to find the principle which is to govern the development of the colony, for every point in the controversy depends upon this. In the franchise dispute it appears to be assumed that self-government is in sight. If it were, it would naturally be a matter of vital importance whether a communal or common voters' roll is to be adopted, for the Legislative Council, which at present can be overruled by the Governor and contains an official majority, would then become a sovereign parliament. The issue would simply be whether Home Rule when it came was to be white or parti-coloured. The ideal of the white settlers, encouraged by Mr. Churchill's pronouncement at the East African dinner, is a self-governing community, white in the sense that South Africa is white, which will be able to deal with the Indian as well as other problems in its own way.

Kenya, however, is not South Africa. South Africa is a Dominion and as such it has a right to settle the composition of its future population. Kenya is a crown colony, and the responsibility still remains in Downing Street. South Africa, if Rhodesia be left out, lies almost entirely outside the tropics. Most of it is eminently suited for Europeans, and it has to-day a white population of over a million and a half. It is hundreds of years since its white colonisation began. Kenya lies right on the equator. Its white Highlands are only a section of the whole country, and it is less than 30 years since European settlement began. It has to-day, including officials, scarcely 10,000 white inhabitants. With the doubts that have been suggested as to whether white

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women and children can live permanently even in the Highlands we do not propose to concern ourselves. The greater the difficulties the more credit to the settlers who have undertaken a great experiment. Any white community that makes good, however, is likely to consist rather of planters or farmers employing black labour to do their manual work and with the means to send their families away for a change than of the sort of population that might develop into a white democracy. But for the Highlands Kenya would differ in no way from any other African colony in the tropics. It would be developed as a black man's country, and in our view, the assumption that a section of it is fit for Europeans does not justify changing its destiny.

But to treat the colony as a thing by itself is out of the question. Nature cares nothing for boundaries. The Highlands may be a sixth of Kenya, but in the vast sea of tropical native Africa which encircles them, they are a mere island. Nothing must be allowed to obscure this vital aspect of the question. Kenya is sometimes compared to Rhodesia, which has just received self-government, although it has a white population of only 33,000. But there is this essential difference. Southern Rhodesia—for only the South has received self-government—adjoins, and even to-day largely shares the life of, a great white Dominion of which she will some day almost certainly form part. Kenya belongs, as already stated, to tropical Africa. The existence of this white island has made complex what would otherwise have been a simple situation—that and the presence of a handful of Indians. Many will regret these complications, and in any case justice is due to every section of the population whatever its origin, but the general principle remains clear. The welfare of the native African, the original inhabitant of the country, must come first.

This, then, is the paramount principle. In its light difficulties do not disappear, but things fall more naturally into their place. On a later page we shall explain how

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tropical Africa as a whole is affected. We will now deal with the local problem.

First, as regards the government of the colony. It is, as the white settler has rightly claimed, a trust. It is, however, *our* trust here in Great Britain. We cannot hand it over to ten thousand white colonists or to twenty-two thousand Indians, or to the two together. We owe it to the African whose primitive state renders it impossible for him adequately to look after his own interests. A vote would be worse than useless to him in his present state. British government was the basis of the treaties with the African chiefs and the Sultan of Zanzibar, and under existing circumstances, it can have no other meaning than Colonial Office rule. In the settlement to-day, whatever form it takes, democracy, white, parti-coloured or black, must be ruled out. The scales can still be held only by Whitehall. Everything else apart, the present struggle shows this to be necessary.

Next, to take the points in dispute between the European settler and the Indian.

First as regards the franchise, with conditions such as exist in Kenya, a nominated Council would, in our opinion, have been preferable. There could then have been no question of unfairness. As, however, a vote has been granted to the Europeans, it is too late to go back, and the situation must be dealt with as it is to-day. For the purposes of an ordinary democratic self-governing community a common roll is, we think, the ideal system. A high degree of solidarity and unity of purpose are essential when the parliament is the real instrument of government. In Kenya, however, self-government is, we think, out of the question, and the real control must remain in Downing Street. With a Legislature limited to what are practically advisory functions, a communal system seems to us best because the attitude of each race would be reflected in an undiluted form, and also because it would fit in better with the political development of the African native. One of

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the objections raised to the Indians' franchise claim is that if it is conceded, a vote will have to be granted prematurely to the African. If that should happen, a communal system would, we feel, involve less risk of harm to him than a common roll. These are considerations which should appeal to the Indian as well as to the European. Whichever system, however, may be preferable, the best hope, under existing circumstances, lies in both the parties coming to an agreement. For even if they agree upon something that is not ideal, it is less likely to produce friction later than a better system imposed from above, and friction is at the moment materially impeding the progress of the African as well as of everyone else in the Colony.

Next, there is the demand for segregation. The arguments of the settler have already been stated. No proposal has more keenly touched that sense of inferiority which underlies the Indian bitterness. In our opinion, commercial segregation is out of the question. For one thing, stores owned by Europeans are frequently staffed with Indians. Social segregation should also, we think, be abandoned, and municipal supervision trusted to forestall the dangers of which the white settler is afraid.

The Highlands we should keep white. In spite of the ambiguity of his words, this was, we believe, Lord Elgin's intention, and it has been so interpreted by successive Secretaries for the Colonies. Settlers have, moreover, taken up land in the Highlands and brought out their families to live there on the strength of it.

We now come to the main issue. Is immigration to be practically free, as it is at present, or restricted? It would be impossible to treat it as a Kenya question pure and simple, even if no far-reaching principles were involved. The boundaries of the colony could not be made effective against entry from the neighbouring territories in view of the character of the country, and free entry anywhere would mean, in practice, free entry everywhere. Restriction in one particular colony would therefore be largely

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a dead letter. Indian nationals cannot, moreover, be denied entrance to Tanganyika unless our own nationals are treated in the same way. But the question of immigration takes us even further afield than tropical Africa. Considerable interest has been already aroused in South Africa, which some time ago stopped Indian immigration into the Union, and according to the Indians, the white settlers are appealing to General Smuts to support their case at the next Imperial Conference. All the other points in the dispute primarily concern the Indians in Kenya, but any check on immigration would directly affect Indians in India itself. For a long time to come irrigation work and industrial expansion should meet the needs of its surplus inhabitants, and there is no question of agricultural colonisation, but as an outlet for immigrants intent on trade great value is placed upon East Africa for reasons that have already been explained.

The argument, however, that impresses us most is not the contention of either the white settler or the Indian, but the mute appeal of the African masses. On their prospects free immigration is, in our opinion, bound to have a prejudicial effect. The Indian has undoubtedly played a valuable part in many ways, in trade, in subordinate administrative work, in the construction of the Uganda railway and in helping to introduce the African native to various kinds of industry. But it is now time that the African learnt to minister to his own needs, and if he finds every avenue within his scope occupied by Indians, and Indians continually arriving to fill fresh vacancies, he will never find the opportunities that he needs or make the necessary effort to fit himself for them. The primitive races of tropical Africa, too, are like children. They cannot absorb conflicting ideas without harm, and the damage is certainly not likely to be less where, as in Kenya, the representatives of such different types of civilisation as British and Indian are in open conflict. Peace is essential for progress of every kind, and especially for that of the African native.

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Yet with free immigration the attitude of the two immigrant races in Kenya is sure to become more extreme than ever as the fears of the European and the aspirations of the Indian grow with the strength of the Indian population. With such conditions the disinterested and consistent policy towards the African native, which is essential for his development, is out of the question. Bids for his favour are as demoralising as undue severity. Nor is it possible for material prosperity to come until the present unrest disappears, for it scares away the capital required for agricultural development. Its ill-effects, too, spread far beyond Kenya.

The rights of those who are already in the country, whether Europeans or Indians, must be scrupulously respected, but as regards the future, the best plan would be to stop all immigration into both Kenya and Tanganyika, whether white or coloured, excepting only what is essential to meet the special needs of the country and to supply the fresh blood that every alien community in a strange land requires. This might be done by regulation or else by admitting, as the Americans do, only a percentage based on the numbers of each of the immigrant races actually in the country. The presence of a European community, given a right attitude, should materially assist native progress,* but in tropical Africa white immigration must necessarily be limited, and in the interests of the African is best kept within bounds. European wants, especially when the competition for farms and labour becomes keen, are apt to conflict with his.

On the Indians' side, some work would no doubt for a time have still to be done by them, but it should be made clear that those who find posts are there to cover a transition period till the African can qualify himself for the work. If the restrictions imposed are applied to both races equally, neither can complain that the principles

* In the *Manchester Guardian* for May 15, 1923, Sir H. Johnston pays a tribute to the good that white men have done in East Africa in the last 40 years.

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which underlie the resolution of the Imperial Conference of 1921 or the conditions of the Mandate for Tanganyika have been violated. Concurrently with the limitation of immigration, a vigorous programme of African native development should be put in hand. And although such development might at first add to the labour difficulties of the white settler, in the end the progress of the African population will benefit both European and Indian colonists.

If our view of its effects is correct, it is, indeed, impossible to allow free immigration to continue. Every nation has a right to control the composition of its own population, and, as far as the British Empire is concerned, this right was reaffirmed in the resolution of the Imperial Conference in 1921. The fact that the African native is unable to protect himself in this respect makes it incumbent upon us as his trustees to do it for him. The scheme we propose might be continued for ten years, at the end of which time a commission should investigate the whole position, including the relations and status of the different races, and make recommendations for the future.

Such is our view of the course that we should adopt in East Africa. The question will no doubt be discussed at the Imperial Conference next October. But it is not confined to the British Empire. In the first place, Tanganyika and Kenya are themselves only part of a larger whole. The native millions of tropical Africa generally are concerned in the solution, and their interests call for a general policy. But, secondly, it is more than an African question. It concerns the whole world. It directly affects the development of one Continent and the aspirations of another. That the interests of the African must come first would to-day be generally admitted, but the Asiatic standpoint cannot simply be brushed aside—India herself has 319,000,000 inhabitants. At the present time the question is not of finding an outlet for her surplus population, but of openings for a limited number of colonists intent on trade. But suppose later an internal pressure

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should compel emigration on a considerable scale, where are her emigrants to go? If it were only a question of room, tropical Africa, with an area several times the size of India and a population about a fifth of hers, would seem the natural place. But it is more than a question of room. Again, granting that the African has to be protected in his present stage of development, will he need protection later? Questions such as these call for consideration and others equally pressing. The effect, for instance, of white colonisation may be thought comparatively unimportant, as suitable country is rare in the tropics, but Kenya shows that complications may arise from small beginnings.

But how is a general policy to be arrived at with tropical Africa under the control of several different Powers? In any case they, too, are trustees and can no more leave the decision of a matter that vitally affects the native inhabitants of their territories to an extraneous body than we can in the case of Tanganyika and Kenya.

There is, however, no such objection to international discussion on the general subject of immigration and its effect upon the native of tropical Africa, and we suggest that the League of Nations should institute such a discussion. It is indeed peculiarly fitted for the task. India, as well as Great Britain, is a member of it. So are all the European Powers with African possessions, and the Covenant imposes special obligations upon every one of them with regard to their native inhabitants. It might even be possible in this way to bring about a general agreement on policy, but even if it were not, such a discussion should place the controversy once and for all on a higher plane and enable us, when at the end of ten years the time comes to take stock of the whole position in East Africa, to bring to the problem the breadth of view and the sympathetic comprehension without which no permanent solution is possible.

PROBLEMS AND POLITICS IN THE UNITED STATES

I.

DURING the worst days of 1921, when the wall was fairly littered with the débris of business houses that had gone to it, the grim survivors used to cheer one another with somebody's joke : "A banker," so it ran, "is a man who sits in a dark room with his feet in a pail of ice-water, saying 'No'!" Not a great deal of responsible European opinion makes its way to us across the Atlantic ; but one gathers, perhaps incorrectly, that the debtor peoples of the Old World have some such idea in their minds about their common creditor overseas.

In the early part of this year the *Springfield Republican*, an independent and responsible Massachusetts paper, drew an indictment of the alleged negative foreign policy of the Administration, in nine counts, as follows :

1. Refusal to acknowledge or assume any responsibilities or obligations in connection with the World War, the conclusion of which was shaped by United States armies and United States resources.
2. Refusal to join the League of Nations created by the United States.
3. Refusal to join in any guarantees of France's security against aggression, even for a five-year period.
4. Refusal to appoint an official member of the Reparations Commission, as contemplated by the separate peace Treaty with Germany.
5. Refusal to send an official delegate to any European or other conference, at least six in all, from Brussels to Lausanne.

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6. Refusal to summon an economic conference under American supervision.

7. Refusal to keep an American military force on the Rhine although asked to by France and Germany.

8. Refusal to forgive any of the war debt of the European Allies to the United States, or to discuss forgiveness in connection with German Reparations.

9. Refusal (in advance) to offer the least guarantee that German Reparations, if reduced by France to conform to American ideas, would ever be collected.

One might punctiliously ask for a better phrase here or for a consolidation of counts there. But, by and large, no valid objection to the indictment can be lodged—so far as it goes. The picture is unrelieved: the dark room, the pail of ice-water, and nine times No!

If an apologia were needed, this is not the place for it: on the other hand, it might be illuminating to consider one or two implications of this scathing broadside. It alleges and attacks the practice of isolation; and, by its air of definiteness, assumes to cover the whole field of foreign interests of the United States. Yet at the present moment the Government is represented at Lausanne—in the light trappings of an “unofficial observer” to be sure, but weighted down with the embarrassment of Admiral Chester’s railroad concession. Another American delegation is sitting uneasily in Santiago de Chile, trying to compose differences among the States of the Southern continent, and endeavouring to maintain the shaky prestige of the United States against their common resentment.* Moreover, it is officially announced that a commission will leave shortly for Mexico City to harmonise conflicting views between Obregon’s Government and Washington. The British debt settlement has not yet taken final form; the Finnish debt is in its last stages of discussion, the Czech authorities

* Probably the success of Luis Angel Firpo, a young Argentine who lately captured a world’s boxing championship from its New York holder, has done as much as any other single thing to create a spirit of self-sufficiency in South America.

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are sending a commission to settle their obligations—and the French and Italians aren't !

The Lansing-Ishii agreement, whereby Japan received during the war (or thought she received) American recognition of special Japanese interests in contiguous territory, has just been abrogated, after delicate and protracted negotiations. The breach between Washington and Moscow, which seemed almost imperceptibly to be closing, was sprung wide open again, when Secretary Hughes cancelled his authorisation for a visa for Madame Kalinin :

The presence of Madame Kalinin in this country is rendered wholly undesirable by the deep feeling which has been aroused by the execution of Vicar-General Butchkavitch. The action of the Department is taken especially in protest against this execution.

Having thus disposed of Russian relations for the moment, he is faced with the prospect of passing judgment on the flotation of an Austrian loan in the United States. This is not a résumé of events in American diplomacy since the Armistice : it is the Agenda of the State Department here and now. Perhaps it may serve to disabuse the minds of those who think of Mr. Hughes as splendidly isolated or as shamefully inactive.

In view of these not inconsiderable problems of foreign policy touching American interests in Japan, Mexico, Russia, South America, France, Italy, England, Austria and Asia Minor ; in view of the likelihood that we are not yet done with the Newcastle Consulate, rubber rivalries, Burma oil documents, prohibition enforcement on the high seas, gun angles, nay, even that vermiform appendix of Anglo-American relations, the Balfour Note—in view of these things, it can hardly be asserted in any general or accustomed sense that the United States has “ cut itself off from the rest of the world.” Such a statement must rather imply this : that in other places where help is needed, the Harding Administration refuses to lend a hand and that by this refusal, the supposed Samaritan has revealed himself

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as nothing better nor worse than a plain, ordinary Levite.

Now, it would be foolish to assert that the actions of the American Government since November 1920 have been guided to any degree by motives higher than those of self-interest. But it would be equally foolish to claim generous motives for the official performances of any other people. France in the Ruhr is energetically, perhaps disastrously, "seeking her own." Germany's conduct has been manipulated to suit her own advantage. Britain's policy in the main has been governed by considerations of employment and of Continental trade : and to gain these objects she has gone her single way. Italy is passing through a bizarre phase of self-discovery and "self-expression," while the bumptiousness of the Turk and the defensive insolence of Moscow are scarcely more than variations from the familiar language of exclusive nationalism. The cynic may say, as Canning remarked at a somewhat similar juncture in history : " Things are getting back to a wholesome state again. Every nation for itself and God for us all. The time for Arcopagus and the like of that is gone by."

Yet in spite of these signs, there is a strong feeling in certain quarters, at home and abroad, that the United States should join in composing the problems of Europe. The argument is sometimes put on grounds of national honour, sometimes on the basis of self-interest. In the present chaotic state of international society each nation must be the ultimate, if not the best, judge of the moral character of its acts and omissions. Nor can one seriously entertain the belief that European nations are distressed lest the United States lose some material blessing through its policy of isolation. No, the essence of the insistent demand is this : that the United States should depart from current international practice and take a step in discord with her tradition, not particularly to her liking, and of uncertain material advantage. This is strange doctrine in the history of nations : surprising enough when advocated

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at home, still more surprising when it originates abroad. It contains the amazing implication that Christianity should be applied to the conduct of Governments. The issue is simple, and Lord Robert Cecil's visit to the United States has tended to make it simpler still. For he has said in substance :

I have come to give you what information I have regarding Europe and the League of Nations. If, then, you still refuse the step, I beg you to suggest some other way. For I have also come to say one other thing : We are struggling for our very existence. You with your resources and your impartiality are the one people equipped to save the existence of others as well as your own. Unless you lend a hand and help us into some open place where we can breathe again, civilisation in Europe will perish. Does this sound strangely straightforward and undiplomatic ? We have tried every other manner of speech : we now bring you the desperate truth. You have heard the request before. "Come over into Macedonia and help us !"

It is well for those abroad to understand the unprecedented character of their plea : and for America to comprehend the issue involved in its past and present refusals.

In the autumn of 1920 the majority of American voters gave evidence of believing that their present and future material interests could best be secured by remaining studiously aloof from the "politics" of Europe : and, in spite of the Administration's sharp reverse in the elections of last November, it is probable that a majority of voters think so still. "Wolf ! Wolf !" was heard during 1921 and 1922 when an increasing number of bankers, business men, industrialists, and farmers began to say that American prosperity could not long withstand a policy of isolation. Yet in face of these predictions of calamity, America has prospered. ~~Recession~~ ^{Recession} illusory, temporary or permanent, the improvement in business during the past six months has been widespread and vigorous. Prosperity has seemed to falsify the economic theories of a year ago.

If the wheels of industry had slowed down, if unemploy-

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ment had increased, if rumblings of unrest had been heard across the continent, some gesture of the Administration toward Europe might have been expected as a diversion or as an ameliorating measure. But by the end of February, when President Harding recommended to the Senate that the United States should adhere to the Permanent Court of International Justice, the condition of business no longer demanded this concession. Still less was it demanded on April 24 when the President reaffirmed his position before the members of the Associated Press in New York City. The Administration was sailing in somewhat smoother waters, criticism from the "interests" had largely died down, and to the outside ear it sounded as though comparatively sweet harmony was proceeding from the rifted lute of the Republican party. Why the President should choose to rouse the "sleeping dogs" in his own camp by touching their two taboos—Europe and the fringes of the League; why, having once done so in February, he should deliberately and emphatically restate his position in April; and why, above all else, he should make an advance toward Europe which holds no measurable prospect of material good—these are questions worth examining. Perhaps something may be discovered thereby concerning the character of the President, the conflict within his own party, the political scene in the United States, and the conscience of the country.

II.

AT least once a year Senator Medill McCormick goes on a junketing trip through Geneva; inspects his mortal enemy, returns to the United States and announces that the League of Nations is dead. But if the Senator from Illinois is right about the League itself, he would do well to stay in his own country and begin to "lay" its ghost. For it may be confidently asserted that, in spite

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of efforts to fight it, forget it, shelve it and becloud it, the League of Nations provides the most important popular issue, perhaps the only issue of political significance in the United States. Friends of the Covenant, for two years past, have been conducting their own campaign. It has not been spectacular, and its value has been greatly impaired by the uncompromising, almost fanatical, attitude of some of its chief proponents. Nevertheless, the fire has been kept smouldering throughout the country.

Among those whose consciences were most acutely quickened may be numbered the thirty-one signers of the October 1920 manifesto—stout Republicans all—who promised an “Association of Nations” under American auspices if Harding should be elected. The great majority of those men retired to a presumably private life: but in so far as the foreign policy of the United States was concerned, they were not permitted to shake off their fractional parts of a responsibility assumed in the heat of a heated campaign. Even more pointed reminders were directed at Hughes and Hoover—for, as signers of the manifesto now in public office, their share of responsibility was considered greatest of all. The President himself, a man of honour and of high principle, began to lose patience with the “inner group” who had joined in his nomination and had approved the party platform. They had solemnly advocated membership in an International Court: and he, naturally, had reiterated that promise in many campaign speeches. A satisfactory Court existed, adhesion would sacrifice no interest of the United States: it was the part of national honour to join. For many months and with such infinite patience as Harding alone possesses, the point of honour was laboured with the Republican “leaders.” Finally in the face of a threatened disruption of the party, but in pursuance of a vigorous, almost religious, sense of personal obligation, Harding asked the Senate to approve a simple plan for the adhesion of the United States to the permanent Court of International Justice. The Senate

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adjourned without taking action, and the President went south for a holiday.

It is eighteen months until the Presidential election of 1924, and more than a year until the Republican nominating convention which must precede it. Normally speaking, one does not expect serious talk of Presidential possibilities—Democratic or Republican—for a twelvemonth more. It was, therefore, somewhat startling to read in the morning papers of March 18 an unequivocal announcement by Attorney-General Daugherty :—

The President will be a candidate. There will be no candidate for the nomination against him except one, and he is always a candidate. The President will be nominated and re-elected. The country and the party will demand it.

This statement made in Miami, Florida, almost within earshot of Harding by the man who was chiefly responsible for his nomination in 1920, has been taken as conclusive and may be so taken. The President's "hat is in the ring."

As Attorney-General of the United States, Mr. Daugherty leaves much to be desired, but he is a master in matters of politics. No Republican, including Robert La Follette, to whom Daugherty doubtless alluded, can now be a candidate except as against the Administration: for it is an almost inviolable political convention that the President may have a second nomination if he desires it. "It is not possible," said Senator Watson a few weeks ago, "for any party to nominate someone else than the President of the United States, and yet appeal to the people to support the party on the record made by the Administration of which the President is the head." Failure to renominate him would be regarded as open confession of the party's failure.

Now this announcement has been widely—and rather naïvely—interpreted as a blow at the rising ambitions of Senator La Follette, Senator Johnson, Senator Borah and other individual Republican aspirants to office. It has

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even more naïvely been thought to be directed at the formidable heads of Secretary Hughes and Secretary Hoover. But no one of the Senators could hope to gain the nomination without the support of the party leaders—and the two Secretaries, instead of fainting under the supposed attack, are perhaps the two most loyal henchmen of the President in office to-day. If the "Old Guard" of the party had been still steadily behind the President, there would have been no conceivable need of such an announcement: his renomination would follow as a matter of course. But if there are dangerous defections from the "Old Guard" ranks—if they are beginning to talk of some new candidate of their own—if they are working behind his back for the destruction of the man whom they once put into power, then Daugherty's announcement, ridiculously premature and unnecessary in normal circumstances, suddenly becomes shot-full of significance.

There is evidence that a powerful group within the party itself is determined to make an end of President Harding. He showed himself dangerously strong, according to their lights, in the matter of the Washington Conference. He has been unalterably stubborn in sponsoring his Ship Subsidy measure. Finally he took the project for membership in the International Court between his teeth and jumped the fence of their advice. These are disturbing signs in a supposedly manageable Executive. But more particularly they resent the fact that this man of their making, pledged to restore prosperity and order at home, failed to deal energetically, forcefully, with the striking miners and railroad shopmen last summer. Through his alleged weakness they lost their chance; through their imagined strength they now intend that he shall lose his.

The conclusion is irony indeed. The President is unhappy in office. He is by no means the first of a long line to taste its bitter fruits; but perhaps no one of his predecessors has so frankly expressed irritation at the endless routine of it, the endless chain of office seekers,

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and the endless inability to get things done. When he left Washington for his southern holiday, one may safely guess that many subtle reminders of the beauties of his Ohio farm had been brought to his attention. Perhaps he began to understand the solicitude of his "friends," perhaps his fighting blood was roused at the discovery of unsuspected intrigue, perhaps his conscience called for the fulfilment of a few outstanding promises. At all events, it seemed best that Attorney-General Daugherty should dispel unfounded hopes. Thus challenge within his own party was met emphatically and with courage.

There is no intelligent being in the United States—even in the Senate—who seriously believes that membership in the Permanent Court would compromise the country with respect to membership in the League of Nations. The issue within the Republican ranks—at present it is wholly an in-party issue—is whether Harding shall be re-nominated or not; and as weapons in this fight all the well-tried, long-range guns have been reconditioned. Harding's enemies, like Munsey of the *New York Herald*, are consulting the files of 1920, where arguments and invectives against the League have been lying in cold storage.

This wasn't the Harding we have known all along (the *Herald* moans): it wasn't the Harding we voted for for President in 1920: it wasn't the Harding who fought the League of Nations in the Senate in that great struggle for America's freedom. What does it mean? Search us, for be it remembered that this same Court of International Justice is nothing other than the creature of the League of Nations.

The League has once more become a super-Government: Britain's six votes in the Assembly are swelling to seven through the application of the Free State; American sovereignty is in danger of hell-fire. So wags the battle—nominally over the Court, in reality a fight for the control of the Republican party.

The Administration has accepted the challenge. Within the last three weeks Hoover has addressed the League of

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Women Voters at Des Moines, Iowa, and Hughes has clarified the legal aspect of the Court issue before the members of the American Law Association. The President himself has never spoken more incisively than on April 24, before the Associated Press :

He re-affirmed his recommendation to the Senate as a step required by party tradition and specific pledges :—

If political parties do not mean what they say, and if political candidates do not mean what they say, then our form of government, our form of popular government, is based on fraud and cannot hope long to endure.

He recommended the International Court itself :

It is in large measure the fulfilment of an aspiration we have long boasted for the United States of America.

He made it clear not only that the Court was distinct from the League, but that under his leadership the United States would not become a member.

It is not for us. The Senate has so declared, the Executive has so declared, the people themselves have so declared. Nothing could be stamped more decisively with finality.

On both counts, he added, the Administration's attitude is unequivocal :

Excessive friends of the League have beclouded the situation by their unwarranted assumption that it is a move toward League membership. Let them disabuse their minds, because there is no such among us who must make our commitments abroad. And the situation is likewise beclouded by those who shudder excessively when the League is mentioned and who assume entanglement is unavoidable. Any entanglement would first require the assent of the Senate, and if by any chance the Senate approved of any entanglement, the present Administration would not complete the ratification. If, in spite of these statements, uttered with full deliberation, there are excessive and unfounded hopes on the one hand, or utterly unjustifiable apprehensions on the other, I know of no words fittingly to apply.

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He then turned to attack the malcontents within his own ranks :

We have come to the time when a party platform is regarded by too many men in public life as even less important than a scrap of paper, and groups or blocks are turned to serve group interests, and many individuals serve their own, while contempt for party conference or caucus has sent party loyalty pretty much into the discard.

Finally, after referring to himself as the "banner-bearer" of the party (a rather remarkable example of self-assertion for Mr. Harding), he concluded with a plea for party unity :

I like a party which is commissioned to govern, to strive in good conscience and all loyalty to keep the pledges which brought it popular approval.

Those who now refuse to follow the resurgent "banner-bearer" of the party must repudiate him as their candidate for nomination, and thereby repudiate the record of their own party under his leadership ; they must set their faces against the only friendly advance towards Europe which has taken place during the past two years, and they must appear as faithless to the tradition and pledges of their party. Borah will continue in his individualistic career. Hiram Johnson will doubtless return from Europe with fresh arguments for isolation ; La Follette will remain the apostle and candidate of agricultural radicalism. These are the old familiar and eccentric faces. But it is probable that the set of newest rebels—"Regular" Republicans—will fall back into line under the President's whip hand ; and if agreement can be reached in the feverish party conferences which are taking place in Washington, Harding's threatened tour of the country in support of the International Court will be scarcely more than perfunctory. So, please heaven, we shall be spared a summer's ranting, cant and back-fire anent the League of Nations. For its

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tireless enemies and its doting friends would put it into controversy, even in connection with the International Court. Whereas the issue is not the League at all, nor the Court in reality, except in so far as it is the outward evidence of trouble within the Republican party. And there, as Humpty Dumpty observed, "the question is, which is to be master—that's all."

III

THESE are some of the difficulties which obscure any attempt to measure the trend of public opinion in the United States. They have been recited at some length in order to give reality to a phrase which is often used to dismiss matters American from national consideration: "They are all tied up in politics." So they are, though their involutions may be seen if one cares to read carefully; and so they will remain, rather academic in their interest to the rest of the world, until the present régime of parties without an essential difference is broken down.

Meanwhile, however, certain generalisations of a tentative character may be offered with respect to America's frame of mind toward Europe and the League. Lord Robert Cecil's visit stirred up very little hostility even in expected quarters, and it confirmed at least one convert to the principles of the League—Senator Pepper of Pennsylvania, who had hitherto numbered himself among the irreconcilables. Lord Robert probably won no new supporters through his public meetings—support is hardly won that way. But he strengthened the hands of the friends of the League most mightily, made the issue a matter which gentlemen might again discuss without sheepishness, and cleared away a number of misapprehensions which had gained a fictitious standing through the oratory of demagogues. His visit might have been such a colossal failure that its modest success must be marked up as a personal triumph.

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During the past two years people have become more temperate toward the League and better informed on questions of foreign policy. The amount of foreign news, especially in the Eastern papers, is a source of continual surprise to those who remember the provincialism of the Press in pre-war days. But if these be too encouraging indications to those who hope for a greater measure of American co-operation abroad, let them also remember that the old antagonisms toward Europe and the old confusions of thought have not died out. They only await the breath of a fresh political campaign. Moreover, a sudden idealistic programme for the "outlawry of war" has captured the support of such diverse persons as Senator Borah with his large following, John Dewey with his wholly philosophical mind, and Raymond Robins with his power of nineteenth century oratory. No existing international court is good enough for them: a new one must be set up, international law must be codified and the new written instrument must stigmatise war as a crime (not as a practice universally permitted under certain rules of conduct). Each nation must undertake to punish its war-makers and its profiteers as enemies of civilisation. On matters of detail its many advocates are vague and somewhat in disagreement, but the phrase itself is winning adherents every day. Praiseworthy as the conception may be, it is likely to prove a red herring across the trail of the International Court. Intrigued with the thought of a world rising to its full moral stature, people are prone to forget the convenient and practical steps by which its present humble stature has been attained. The seductions of a programme of perfection are great, especially if the difficulties of realising it are overlooked—so great, indeed, that those who believe in the Court and those who believe in the League may well regard the movement to "outlaw war" as a dangerous obstacle in the path of their desires.

Paradoxical as it may seem, nothing would so successfully clear the air for a reasonable discussion of the advantages

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and disadvantages of further co-operation with Europe as a rousing campaign on a well-defined domestic issue. The garden variety of citizen might thereby be encouraged to believe once more in the power of his vote in government. (1) Industrial prosperity has caused a shortage of labour, if not throughout the country at least in influential enterprises. Should the immigration law, framed as a more or less permanent policy, be now scrapped to meet what may prove to be only a temporary emergency? (2) The "tariff of abominations," as it has been described by Democratic organs, has not restricted imports. As a matter of fact they have shown a substantial increase. In view of this record, could a successful campaign be waged on this issue by the Democratic party? (3) The Supreme Court in a recent decision has held that a certain statute of Congress is unconstitutional, in that it purported to regulate hours of labour within the District of Columbia. The decision was reached by a narrow majority. Thus an Act of Congress, though passed by a sweeping majority, may be struck off the books by the decision of one man sitting on the Supreme Bench. Here is a startling fact which goes to the very roots of government. Should it be made a political issue? (4) "The enforcement of law and the maintenance of order" provided a valuable political slogan for the Republican party in 1920: but over-employment of it doubtless played a rôle in the revival of the Ku Klux Klan. Does either party dare launch an open attack against this powerful society? (5) Lastly, there is the perennial problem of prohibition. Should existing legislation be overturned as a capricious measure introduced by an organised minority? Should the shortcomings of prohibition enforcement be compiled into a confession of failure? Or should it be hotly prosecuted for its own sake and for the sake of the dignity of the law?

Here are five among many important internal problems. Potentially they are political issues; but the experience of recent years has led one to despair of a clean-cut fight on

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any of them. They will be evaded in party platforms. Each question, however approached, carries with it the seeds of disruption ; for these are real matters of substance and of strategy, dividing the members of a single party. On the other hand, it cannot be too often repeated that nothing but tradition, abstract loyalties and the name distinguishes a Democrat, as such, from a Republican—except the League of Nations.

Therefore, in lack of a domestic issue, and in spite of President Harding's recent avowal that the foreign policy of this Government is second in importance to its domestic programme, the League is and will be the field of contest. It is a dreary and rather humiliating prospect, one that looks back into the land of prickly prejudices and barren phrases. It invokes memories of an earlier campaign, unparalleled for its shabby vindictiveness and flimsy thinking. The one hope for a consideration of the issue on its merits lies in the growing enlightenment of the country, and in its growing sense of the unity of civilisation. There is a realisation that international ends cannot be compassed except through human institutions of an international character. There is a sincere desire for peace—a solemn persuasion that cannot be understood without first understanding the United States. From these simple premises springs the possibility of further co-operation abroad. Times, seasons and all else are on the knees of the gods.

The United States of America. April 30, 1923.

IS BRITISH AGRICULTURE WORTH WHILE ?

The following article is by an observer who has made a life-long study of British agriculture, and it gives his views as to some possible remedies for its present condition.—EDITOR.

FEW of us are familiar with agriculture in any other state than that of depression, and most townspeople are inclined to be impatient with the cry of "Wolf!" that they have been hearing all their lives. But since the close of the war agriculture has experienced a Royal Commission and Agriculture Act, and a second Act for its repeal, and now the secular problem has been turned over to a committee of economists chosen because they had no previous connection with agriculture. There is also another committee sitting on prices.

The plain man asks first of all, "Is there a depression?" Certainly there has been a break in prices. Wheat, which had for long been over 70s., has fallen to 40s. or thereabouts. Malting barley has been almost unsaleable. Potatoes have dropped from £8 or so to less than £3 a ton. The farmer has had to write down the capital value of such stock as horses and milch cows by one-half. On the other hand, wages, which form the bulk of the expenditure on a farm and rose during the war from 17s. to 42s., are still at 25s. or over. There have been two bad seasons in succession. After the boom the shake-out has come,

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and farming, which as a business is carried on by small capitalists without reserves, is hard put to it to carry on.

But when we say that agriculture is depressed, what do we mean by "agriculture" ? Who is threatened—the land owners, the farmers, the labourers, or the State, because their interests are not identical ? The land-owners are accepting with resignation the fact that land has become a valueless investment. Many of them sold during the war and trebled their net income. Now it is almost impossible to sell and the land possesses little more than its amenity value, with the chance that sooner or later a monopoly value may assert itself, whenever a public body or a rich corporation may be forced to buy.

Of the farmers we have spoken. They are not making the incomes they expect, still less those to which the war had accustomed them. They can put down their land to grass, reduce their expenditure, and still make a living. They, in fact, are the arbiters of the situation because they have two margins to draw upon—rent and their expenditure upon labour. At present they are hesitating, but drifting in the direction of grass farming on a lower wage bill.

While the farmer can thus look out for himself, his men have no such alternative. The sunshine of high wages has been of brief duration, and though the rates are still substantially above the pre-war figures, the cost of living in the country is disproportionately higher, with the result that the labourer is even poorer than he was. He is back in his old position of being the worst-paid employee in the country, and the drift of events is tending to add unemployment to his difficulties. The agricultural labourer has no doubt about the existence of the depression.

What about the public interest ? The State naturally wants a maximum of production from the land. The land should be a productive asset. Yet we see the majority of British land in grass, and a great deal of that grass indifferently farmed. We see absolutely waste land every-

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where—sometimes in wide areas, sometimes in little patches mixed up with the farm land. In spite of unemployment, nobody is reclaiming land. No squire is stubbing his "Thornaby waste." Nobody is spending money on permanent improvements. Land instead is going out of cultivation. The number of men employed upon the land is shrinking, the production of food from the land, both absolutely and relatively to the vast consumption of our population, is diminishing. During the war Sir Thomas Middleton contrasted our use of land with that made by Germany. From a unit area of land our farmers produce half as much food and give employment to one-quarter as many men. As a craft agriculture is not progressing. All old farmers will agree that there has been little improvement in technique, in some respects indeed a decline, since 1870. The one substantial cheapening of production has been the introduction of the self-binder. Tractors have not made good as yet. Looked at more closely, one can point to progress in many directions, in milk production, in fruit and vegetable growing, and our best farmers are still among the most expert practitioners in the world. The notable fact is that the competition which makes the farmer's lot a difficult one does not come from Germany or the more intensively farmed countries, but from the States, Canada, the Argentine and Australia, the newer countries where the standard of farming is much lower than our own. The competing countries are those of cheap production from a large area of land where a small yield per acre is made up by a large yield per man employed.

The dominant factor for the last half century has been the cheapness of agricultural produce, and the present depression is due to a return to this low range of prices after their brief enhancement during the war. Cheapness comes from extensive, not intensive, farming. The average level of productivity attained in any country represents an equilibrium between the prices obtained for the produce

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and the costs incurred, these costs mostly being labour. Other things being equal, low prices will be followed by a low level of production, because the law of diminishing returns comes into play and the costs increase out of proportion to the receipts if an attempt is made to force high yields. With low prices the land must be left to do most of the work. Similarly, other things each equal, high rates of wages will be accompanied by a low standard of production. The land, again, must be left to do most of the work and the men's labour must be spread over as wide an area as possible. Here, then, is the difficulty inherent in dealing with agriculture in this country from the point of view of public interest. We have a strictly limited area of land. The national interest demands a high production per acre from it. At the same time it is necessary to pay a high wage rate. It is impossible to reconcile a high density of employment at good wages with low prices for the produce. The point is soon reached beyond which skill cannot intensify the production sufficiently to make up for the increase in cost.

It is necessary to examine more closely the items of this general statement. Dealing first of all with prices, what hope is there of increasing prices? In the first place we have to recognise that the British farmer is subject to a quite abnormal pressure of competition. Great Britain is the one and only open market for food in the world. Every surplus of food production is directed here. Every other country which depends upon an export of food has to organise its trade towards this country. It is true that certain small countries like Holland and Denmark are also free trade countries, but as they are food exporters the stream is not directed towards them. It is not only that food exporting countries do naturally look to Britain for their market, but if they have a surplus they cannot get rid of it anywhere else, whatever the price. So definite and special is our position in this respect that certain countries are now giving their producers a bonus in order

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to help them to get a footing in the one market. Australia and South Africa give a bounty on meat exported to Great Britain. New Zealand is guaranteeing its fruit-growers against losses in exploiting the English market. As regards many of the staple articles of agricultural produce, the English farmer has to meet not only the competition of the whole world, but has to bear the brunt of all the dumping that must happen whenever there is a surplus in any place. For some commodities, as milk and potatoes, Great Britain is practically self-supporting and there is little importation ; none the less when agriculture is organised to meet a stated normal demand there are inevitable surpluses according to the season, and the British farmer suffers because the tariff walls round other countries give him no relief on such occasions. There have been seasons of late years when Great Britain has had a surplus crop of potatoes which could profitably have been disposed of on the Continent, in the United States or in Canada, but no such trade has ever been allowed to grow up. If the tariff at the time proved not to be high enough to keep them out some restriction based on the possibility of the introduction of disease was forthwith discovered and importation was stopped. We must import food ; we need more than twice as much food as we produce, and the national policy is to let that food come in without restriction ; but let us realise what a handicap the nation is imposing upon production at home when all the competition of all the other competitors in the world is concentrated on this one market and the British farmer is allowed no outlet for his over-production.

Accepting this competition as a fact, is there any other way of increasing prices ? The favourite panacea is co-operation, illustrated by examples drawn from Denmark. Is it, however, perceived to what extent co-operation is really a product of the necessity of finding a foreign market ? The producer of butter or fruit in Denmark or Canada or New Zealand must co-operate, must grade and bulk in

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order to turn out a uniform product in large quantities or he could not obtain access to the English market at all. The British farmer has his market at his door, and has but little to gain in cash by uniting with his neighbour. Indeed, he may lose thereby. Similarly, peasant farmers must co-operate and sell in bulk to obtain access to modern markets, but the British farmer is a reasonably sized economic unit for sale purposes. Without doubt increased co-operation is a necessity to the British farmer, but it can never produce any revolutionary increase in returns. The existence of the British open market for food is the cause of co-operation in other countries, but it does not necessitate co-operation here.

As far as prices go we have to recognise that the agricultural producer the world over is suffering. The agricultural depression is not confined to this country, but is just as marked in Canada and the United States, the Argentine and Australia. Farming is subject, in fact, to temporary over-production. It cannot regulate its output like an industry can and slacken off to meet a fall in prices. Moreover, its products are perishable and can only to a limited extent be held off the market. These fluctuations in returns are a condition of business in agriculture. The peculiar difficulty of the British farmer is the intensification of the fluctuations here because it is the one open market of the world. All the same, it does not seem probable that prices are going to remain permanently at their present low level. Before the war there was evidence that the consumption of food in the world had grown up to the sources of supply. The war has permanently lessened the producing power of the world as a whole, and the surpluses of the last two years only represent the results of bumper crops in the Americas and the systematic underfeeding or semi-starvation of large areas in Europe. Men are drifting out of unremunerative agriculture all over the world, and eventually the reduced production resulting must be reflected in scarcity and enhanced prices.

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If prices cannot be raised to meet the needs of more intensive farming, is there any method of reducing costs other than by lowering wages, which even if possible is undesirable if we are looking at agriculture from a national point of view? The British labourer neither works so long nor for so low a wage as his opposite number on the Continent. That has to be taken as a fact. There is no "ought" about it. Should farm wages go any lower the younger men will either get employment in the industries, if English industries flourish once more, or they will emigrate.

Why are farm costs so high? One cause is manifest—the pressure of the urban standard of life in which the British farmer is enveloped. Just as the industrial standard of wages affects the wage rate of the farm labourers, so calls made upon the agricultural industry for roads, education, sanitation, and so forth, are immeasurably higher than the corresponding charges that fall upon his competitors from more primitive countries. Compare the organisation of an English countryside with that of a farming community in the Middle West. It is not only a question of rates, it is inspection and regulation which have to be doubly paid for both in increased working costs and in charges for the inspectorate. Agriculture is promised some remission of rates, but there remains the atmosphere of expensiveness which cannot be assessed. In any case, the old economists tell us the rates affect the landlord rather than the farmer. They are charged upon the farmer and though for a time, at any rate, increases come out of his pocket, in the end higher rates mean a smaller rent for the owner of the land.

Some of the older school of politicians looked upon rent as the factor which kept farming depressed. The landlord was represented as exacting an impossible toll from his tenants in virtue of his monopoly. This view can certainly not be held nowadays for English land, the average rent of which would not provide a market rate of interest on the capital that has been sunk on buildings and equipment

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without counting the value of the land at all. Suppose one had as a gift 500 acres of bare English land to-day and had to make a farm of it by erecting buildings, fences, roads, etc.; the rent that would be obtained would not pay the market rate of interest on the capital expended. Only in the rarest cases do the existing powers of the landlord hamper the tenant-farmer in the prosecution of his business. At present the advantages in the bargain of renting are all on the side of the tenant. Nor does the farming of occupier-owners show any such superiority over that of tenant-occupiers as to justify, in the general interest of agriculture, any attempt to revolutionise the current renting system.

Can science show the way towards lower costs of production? After its long neglect the country has begun to show some appreciation of research, we hear of new wheats, new methods of feeding, artificial farmyard manure. Is not knowledge of these results going to improve the position of the farmer? Slowly and surely it will; every movement in that direction represents absolute and permanent gain, but progress must be slow because it is conditioned by the organisation of the industry and the degree of education of the men controlling it. Yet the improvements due to science and superior technical skill are severely limited, agriculture cannot be revolutionised like cotton spinning or steel making, soil and season are dominating factors, and all the science available to-day would scarcely be able to knock ten per cent. off the cost of production of our best farmers.

If, then, the landowner is not getting an undue share out of the proceeds of the land and the average farmer does not find the business of agriculture a paying one, is not some change of system possible, which by redistributing the proceeds will rehabilitate the industry? One solution which is widely commended is to redistribute the land in small holdings and to create a race of peasant proprietors, instead of tenant farmers. This would be a return to the

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system of agriculture which prevails the world over, but from which British farming successfully escaped a century or more ago, because of the demand for food created by the growing industrial population. British tenant farming has its difficulties, but it is a more effective agency of production than peasant proprietorship. Small holders cannot take advantage of modern improvements in machinery, in materials or organisation. Their skill is, on the average, below that of larger farmers engaged in the same type of business. The division of a given area of land into small holdings often results in higher production because the small farmer must cultivate intensively or perish, but viewed in the large, a system of peasant proprietorship results in a lower gross productivity and an inferior utilisation of the land. Even in England the farms under 50 acres show a higher percentage to grass than the larger farms. Small holdings are necessary because they minister to the fierce desire for independence possessed by some men, but they survive in virtue of the fact that the small holder will, indeed must, work twelve hours a day, when the labourer only works eight. In a sense a small holding community is the more stable, because in times of depression the small holder pulls in his belt a little tighter and works even longer hours. None the less, in a country like England, where there have always been other outlets for men, every depression has seen the merger of many small holdings into larger units. To base our farming on one-man holdings, on peasant proprietors on whatever area, would represent a counsel of despair.

It is interesting to note that Labour opinion regarding agriculture is cold towards small holdings and the unremitting task they involve. Labour criticises the present organisation from the point of view that the essentially British method of handling the land in large farms has not been carried far enough. There are too many farmers, and they are asking too much for their service as managers and capitalists. In England and Wales there is on the

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average one farmer to four labourers. Making all allowance for single-man holdings, the average English farmer is trying to live off the labour of six or seven men, and when he says farming is not paying he is asking too much and is living beyond his proper income. The economic unit of farming to-day is rather two thousand than two hundred acres. The management of such an area is well within the capacity of one man, and only upon farms of that size can the advantages of machinery and the organisation of labour be realised. This is the substance of Labour criticism—that if agriculture were not carrying so great a top hamper of small and inefficient farmers it could produce more cheaply and pay its men properly. Bigger businesses would have more command of capital and better reserves, and could meet periods of depression without having to raid the wage rate. Again, it is urged that a more developed industry would provide means of rising for men with brains but no capital. In British agriculture there are no intermediaries between masters and men, and the master class can only be entered by those who possess capital. Farming is generally an inherited business, but the captains of industry mostly rise from the ranks.

If, however, we accept this indictment of the organisation of agriculture a remedy for it is not easy to find. Change will only be effected under economic pressure; the landlords might bring it about if they began to treat their estates as businesses, but as a class they are too much inclined to distrust any future for agriculture and only repeat the farmer's cry of depression.

But even when we have cleared the question of some of the misconceptions, is there any remedy to propose? Can the State render any effective help to agriculture? The pundits of the old *laissez-faire* system would seem to have all the cards in their hand. Subsidies have one prime defect: they shine alike upon the just and the unjust, they cannot be confined to the land or the farmer needing help. They bulk large in the nation's accounts and form a ready

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subject of attack every time estimates are presented. Protective duties raise the cost of food ; they are only possible in a country where there is a general agreement among both parties and people that " protection " is *per se* a desirable policy. Dare any one party here embrace protection and risk presenting their rivals with so good an election cry as " Hands off the food of the people " ? Are our people sufficiently concerned with the consequences to consent to tax themselves ? The consequences are obvious enough after the last fifty years' experience—a gradual shrinking of cultivation to the picked land, a decline in the standard of farming and in the gross production from the land. The wide grazings will grow with their sparse herdsmen and shepherds, on their margins will spring up small peasant holdings on which men will pay in labour for their love of the land and of independence. Except for a few bulky perishables and articles of luxury, Great Britain will grow less and less of its food—until it becomes a parasite State nourished upon cold stored, tinned and dried materials from overseas.

We may modify the *laissez-faire*. We can adopt partial measures which will take off the pressure of unfair competition, dumping and subsidies, mitigate the burden of rates and charges, cheapen capital for the farmer, promote education and research. But unless the general economic conditions of the industry alter, such measures can only defer the collapse or slow down its progress.

Sooner or later a world change of prices may be expected. The food production of the world is little more than sufficient to meet the demand : it would prove insufficient were not a large proportion of the population unable to exert an effective demand. The time of scarcity may be delayed because the teeming populations of the East and the tropics can be much more fully organised to produce food ; none the less it is on the way. The danger is that our habit of farming and our rural population may be destroyed before the turn of prices asserts itself. Agricul-

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ture is not necessarily an uneconomic business in Great Britain, but to lift it out of the present depression and enable it to adjust itself to the demand for increased rather than lessened production some stimulus is needed that will restore confidence. Remedial measures will not bring into the industry that sweeping current of fresh capital, new brains, modern methods and organisation that it needs. Big business in farming as in other industries seems to be the only means of obtaining wholesale employment at remunerative wages, full utilisation of the land, and cheap production. But capital has to be induced to come in ; agriculture under present conditions is too much at the mercy of external factors to be attractive to big business—the State must offer it security. Twenty years of security are needed in which the industry, sheltered from the wild fluctuations now prevailing, can reorganise itself along modern lines, twenty years of assistance coupled with that amount of control which will eliminate the unprogressive farmer. Such assistance is, however, out of the question unless the great parties of the State come to a definite agreement that the measures taken shall be removed from the sphere of party warfare, that a national experiment in reconstruction is to be tried which cannot succeed if any element of doubt attaches to its prosecution.

The assistance may take the form of bounties or protection ; the nation now possesses a dilapidated estate and cannot get it in order without some initial outlay. As the outlay would be wasted unless it operates over a term of years there must be the preliminary party agreement. The State can obtain a balance between the rural and the urban population, between production and importation, and whatever measure of agricultural prosperity it desires, if it is willing to pay for it.

IRELAND AS IT IS

The following article is from the Irish pen which contributed the account of the situation in Ireland which appeared in our March number.—EDITOR.

TO be able to say "I told you so" has never been any satisfaction to me. I understand that many people get great pleasure from successful prophecies, particularly of evil. To me, except on the rare occasions when I have given the winner of a race to my friends, that joy has been denied. It is therefore with unmixed regret that I say that what I foretold in my last article has, in the main, come true, and the disturbance in Ireland is still dragging its slow length along. Nothing definite has happened since, nor have I changed the opinions there expressed as to the cause of the unrest or the methods of improvement.

The Government is not to blame. I reiterate what I said before about them. They have courage, moral and physical, and I now add two more attributes, endurance and the capacity for work. They have gone forward. While adhering with the utmost strictness to the letter and spirit of the Treaty, they have dealt and are dealing with the Irregular campaign in the most courageous spirit. They have to a great extent reorganised the Army, a matter of no small difficulty. It is still far from being as efficient as one could desire, but it is immensely improved from what it was three months ago. Better officered and better disciplined, it is at last becoming an effective weapon in the hands of a civil administration. Very few in this

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country, and certainly no one out of it, can realise just how difficult it was to forge such a weapon. The qualities which brought the Sinn Fein guerilla to a position of leadership in the war against the British were not the qualities which were desirable in an officer of a regular army. Yet it is hard when the State for which he has fought has come into being to refuse to the fighter the reward for his fight. If success in the State is to be achieved, however, this must afterwards be done. Efficiency is the only test which can be applied to candidates for office, civil or military. Past service or past sufferings cannot be permitted to cumber a Government with inefficient servants. In Ireland sentiment is always a danger, and often a curse. The Government have I believe, now realised this fact, and are bravely tackling the problem of how, without alienating their supporters, they may get the best men. The effect of the change on the Army is obvious. More has been done in the past three weeks to smash the Irregulars than was done in the previous three months. In those parts of the country where the Army has learned the essentials of discipline, the Irregulars have been scattered and are hopelessly beaten. Only where the old haphazard organisation remains does the Irregular flourish. A story which is going the rounds will, although probably quite untrue, illustrate the difference between the old and the new. An officer from headquarters was on a visit of inspection to a West of Ireland barracks, and saw one of the local captains passing the sentry at the barrack gate. The sentry did not salute. The inspecting officer walked up to him and said: "Do you not salute your officers in this battalion?" "Ah! shure him and me hasn't been speaking this two weeks past," was the reply. It was that spirit of equality between all ranks which was making the Army useless. As I have said, in many parts of the country the Irregulars, as a fighting force, have ceased to exist, as an engine of destruction they have been crippled. The more their fighting

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organisation is destroyed, their power to murder, burn and pillage is to some, but not to the same, degree lessened. This is evidenced everywhere. Railway outrages have decreased. They have not disappeared, even in counties where no fighting force remains. Arson and armed robbery are less frequent, but not the less fiendish. Sometimes two or three days pass without a murder being reported in the Press. It is terrible to have to say that, and then say that conditions are better, but they undoubtedly are. The Irregular is more and more on the run; the Army, as it improves in technique and morale, will cause him to run faster; and even the gloomiest pessimist will now admit that some time or other civilisation may return.

One naturally asks why, if there is an efficient Government and a fairly efficient Army, the rebellion has not been scotched long since. I am still convinced that the chief reason is because the ordinary citizen has not yet got even the remotest idea of civic responsibility, or, indeed, of common honesty. There is no sign of improvement in this respect; and I am driven to the conclusion that, despite the appalling lessons of the last five years, the last thing which the average Irishman wants is a Government which will govern. At least, that is the last thing he says he wants. Every county, rural, and urban council in the country is perpetually plastering the Government with resolutions *against* every act by which the Government attempt to restore order. A double-dyed murderer is executed—a resolution of protest. A woman is arrested with loaded revolvers, intended for murder, concealed in her clothes. She is imprisoned, and goes on hunger-strike—a resolution of protest, and a public meeting is convened to demand her immediate release. Two armed Irregulars raid a house and threaten to murder the occupants. The owner shoots one of them down—the coroner's jury bring in a verdict of manslaughter against the defender of his home. The Government suggests that income-tax might be paid—a howl of protests against this tyranny. An attempt

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is made to enforce debts for shop goods—the process server is robbed and beaten, while as for landlords' rents—even to whisper such a word as "pay" is infamy.

That is the outward and public attitude of the ordinary citizen here to-day ; and yet the very man who votes for these resolutions of protest, and who most loudly condemns the Government for their brutality, will be the first to tell you in confidence that he wishes settled conditions were restored, that the Irregular campaign is madness, and its authors worthy of any punishment. That is why I coupled the word, honesty, with civic responsibility.

Dishonesty is rampant in Ireland to-day. Dishonesty of thought, of speech, of purpose, of action. Not one man in ten thinks out a conclusion clearly and reasonably. This is not peculiar to any class, creed, or political party. The Irregular and the die-hard Unionist both think dishonestly, as does the ordinary citizen. They have all one fixed conviction—the Government is wrong—and no argument, be it ever so sound, can alter that. Nothing can shake the belief of the Irregular that the Government policy is dictated from Downing Street. Nothing can shake the belief of the die-hard that the Government policy is dictated by the Republican, and that they are only awaiting an opportunity openly to declare their allegiance to that form of government ; while the ordinary citizen complains that the Government will not make peace, and passes resolutions condemning everything they do, and advocating "a truce of God."

A few days ago three resolutions were reported as having been passed by three rural councils calling on the Government, with the assistance of a high ecclesiastic, to make an *honourable* peace. Did any one member of any one of those councils consider what he meant by an honourable peace ? How was it to be made ? What terms could or would be given ? Did they consider that they proposed to make it with men who were doing their utmost to destroy the country and make life and property so insecure that any

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government would be impossible ? With men who were trying by every means in their power to frustrate the wishes of the majority of the Irish people ? With men who were acting in direct opposition to the elected representatives of the people ? With men whose success could only mean the ruin of themselves and their families, and would destroy for ever the possibility of successful Irish self-government ? If I may answer my own questions, the answer is, emphatically: *No!* They did not. They passed their resolutions partly from cowardice, partly from vanity, and partly because such resolutions are fashionable now, and each council must not be overshadowed by its neighbours.

Such resolutions weaken a Government and embarrass it. They tend to create a public spirit the very reverse of what is necessary to combat such a rebellion as is in our midst. The man in the street, who is equally lazy of intellect and equally ready to condemn and oppose everything that is done for him, adopts the resolutions, and is firmly convinced thereby that the Government is acting very wrongly in not making peace immediately. One moment's thought would convince any man that the Government is at the limit of its concessions ; the only peace must be surrender. You cannot make terms with a man who openly states and proves by his actions that he is determined to kill you. You must either kill or be killed. There is no room in the State for two Governments and two armies. If resolutions were only passed pledging whole-hearted support to the Government in any steps it may consider necessary to suppress rebellion, what a difference it would make ! When the new police force—the Civic Guard—was formed and took up its duties, the Government announced that it would be an unarmed force. Immediately every man and woman you met exclaimed against the decision. What was the good of an unarmed police force ? Were the Government deliberately playing into the hands of the Irregulars ? And a dozen similar questions. This from a people who had seen the

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R.I.C. driven from their barracks, their rifles stolen, their lives taken, their usefulness as a police force ruined. A police force which has to be centralised in two or three depots cannot begin to function. They have to be scattered in every town and village, and if armed they would be merely providing the Irregulars with rifles and ammunition. There must be an unarmed police force or no police force at all.

I do not hold the Government blameless in this matter. They are much too fond of bald statements, of orders, even of threats. My countrymen are ill cattle to drive and too easy to lead. They do not object to have their reasoning done for them. Brevity and austerity in speech do not appeal to them. When last I wrote* I mentioned this aloofness of the Government. I do not intend to repeat what I then said, but it is still true. There have been attempts by the Publicity Department to take the people into their confidence. Unfortunately the right, the personal note, has not yet been struck. More good was done to the Government by the visit of the Governor-General and the President to Punchestown than by all the interviews with pressmen given by the Minister for Home Affairs.

About March 15 of this year the citizens of Dublin suddenly began to realise that the conferring of fiscal autonomy on the Free State would involve an *ad valorem* duty on certain articles manufactured in England. This "discovery" was first made with regard to motor cars. There was great writing in the newspapers, much gossip in the clubs, and feverish excitement in the motor trade. As usual, almost every man you met blamed the Government. Now, all this might have been avoided, and I submit should have been avoided, by telling the people either when the constitution was passed, or some months before March 31, the date on which the Customs were transferred, that such a consequence was inevitable. They were not so informed.

* THE ROUND TABLE, No. 50, March, 1923, p. 257.

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The newspapers were allowed to spring it on us a few days before the crucial date. It was as if a mistake had been discovered, a blunder revealed. Questions were asked in the Dail. The President replied that anyone who read the newspapers must have known that this would happen. With the greatest respect to a man whom I admire, and who makes amazingly few mistakes, this was not a sufficient answer. I admit that everyone should have known, but the President should also have known that the Irish people do not think deeply, are ever ready to follow a phrase, and do not look to consequence; that not one man in fifty who shouted for Home Rule had ever reckoned the cost. Further, assuming even that it was a sufficient answer from the standard of the logician and economist, it was a mistaken answer for the politician. "We are the Government. We have no time for these foolish questions; read the newspapers, and don't come bothering us." That is not the wise attitude for the moment. Every word and act which estranges the Government from the people prolongs the country's agony.

To return, however—dishonesty of thought naturally produces dishonesty of speech; but even the few who do think honestly do not all speak honestly. The temptations not to do so are certainly great. Fear is not the least of them. We have recently become more cowardly and selfish than I could ever have believed possible. Our sneering friends and enemies say it is the true Irishman now revealed. I disagree entirely. Put any race in the world into the conditions that have existed in Ireland for the last five years, and the result will be the same. No one knew what would happen next. If you espoused a side you had always an uneasy feeling that you would be let down and you generally were. If you spoke and acted as a man and a citizen should, and as a result your house was burned, you got sympathy from the Government. A Unionist farmer once described it to me: "Lashings of sympathy, but damn all else." Arms were carefully removed from

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everyone who ought to have them, and they were then exhorted to be brave and defy those nasty Sinn Fein gunmen. It is a very exceptional man who can live above his circumstances, and through pure patriotism, and sense of right, sacrifice his life and property. The few exceptions that we had have paid the price. Their treatment and the treatment of their dependents did not encourage others to follow their example. The average man who is left has stepped into a morass of selfishness. "What do I care, as long as I am left alone? Let me grab what I can for myself, and the devil take the country." Out of that morass we must come. We must be made to realise that it is up to us to save ourselves, that to sleep now is to die. That there is no more external and paternal Government; that we are the Government. That *we* must think before we speak, and, having thought, speak as *we* believe; must forsake shadows, and cling to substance; must abandon hot-air enthusiasts and support humdrum economists; and, above all, be honest with ourselves and our fellows.

The prevailing dishonesty of speech is reflected in the Press. Their delicacy of speech is delightful. A bloody murder becomes "a sensational shooting," or "a tragic incident." A theatre is blown up by a land mine in broad daylight, and passers-by are injured, and "a startling explosion in the city" is the limit of the Stop Press. The men who rob and burn your house are always described as acting with "the greatest courtesy." I know newspaper proprietors have excuses. They have been and are daily threatened, their circulation prohibited. The business houses who advertise in their columns are warned to discontinue or take the consequences. The time for excuses, however, is past. We must protest or perish. The jockey cannot win without his horse; the Government cannot win without the people.

The retrogression is, I regret to say, not only mental: it is also moral. The commonest rights of property are disregarded. Ten years ago this country was freer from petty

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larceny than any in the world. You could leave your door unlatched day and night, and your goods on the side of the road, and no one touched them. To-day the houses of people who consider themselves quite respectable and well-to-do, and who attend to their religious duties with the greatest attention, are full of stolen and looted goods. "Ah, shure, if I hadn't taken it, somebody else would." That has been said to me by one whom I always considered a decent honourable man, as an excuse for having a chair in his kitchen looted from a neighbour's house which was burned. The no-rent campaign is nine-tenths dishonesty, making use of existing conditions to escape liabilities. It is calamitous, but who has the right to point the finger? Not the war profiteer or the Army contractor, at any rate.

I met a farmer yesterday who was a Unionist, and still is. He has had a bad time: his cattle have been stolen and his land is still occupied by trespassers. All the neighbouring farmers, who were *not* Unionists, refused to pay their rents unless they got 40 per cent. reduction. Their landlord (resident in England) gave the reduction to them, but refused it to my friend, although he has not made 5s. out of his farm for the past two years. My friend was too honest to avail himself of the existing conditions. He has received his reward! I will not say what I think lest I say too much.

Someone who has read so far may say: "I thought this fool said things were better in Ireland." So they are. I am perfectly satisfied that the Government are striving to do what is right. I believe they do not count risk or personal popularity to achieve that end. If only they could be a little better known, reveal a little more of the human being and a little less of the official, they would be twice as effective. There is no question that the Irregulars will eventually be crushed. The time it will take to crush them depends on the people.

I have said that many of us have lost our sense of honesty: the next few days will prove if we have also lost our sense

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of humour. In this morning's papers appeared a "Proclamation" signed by Mr. de Valera which is surely one of the most amusing documents ever published. As usual, he takes the high note and mouths stupendous words and Olympian sentiments. "All legislative governmental authority in Ireland is derived exclusively from the people of Ireland." This from the man who for eighteen months, by blood and fire, has been endeavouring to destroy the governmental authority set up by the people of Ireland, who, six months ago, said if the people will not be led they must be driven, and looked into his own heart to find what the people needed. "No individual or class of individual is to be excluded from determining the national policy." That is de Valera on April 28, 1923; but the de Valera we have known for the preceding eighteen months has been driving one class from Ireland with the petrol can, the torch and the bullet. "Freedom of public meeting and freedom of the Press are rights of citizenship, and must not be derogated." Has he forgotten how his army destroyed railways and bridges to prevent public meetings, and threatened the death of the speakers again and yet again?

"The military forces of the nation are the servants of the nation." Have the Irregulars been our servants for the past five years? Then follows a sentence which must ever rank as the most supreme impertinence ever penned: "We are informed that many in the ranks of our opponents will accept these principles, as we accept them." If one could not laugh, one must go mad. Will the country laugh? Will the colossal foolishness of this movement be at last revealed? Or will they, when the Government treat this document as it deserves, still look on its author as an inspired hero, and blame the Government for not doing likewise? I stopped a man in the street to-day and asked him what he thought of it. "God save us and keep us from the fairies!" he said, and passed on. He was right; if the Irish people are not bewitched and have an ounce of sense, common or otherwise, left, they will laugh. Before

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this article is in print we shall know. I have no doubt that the Government will not be ensnared by this verbiage. Without fear, I prophesy that "hostilities," as Mr. de Valera expresses it, will not cease at his behest. If the country supports its Government as it should, one peace term and one peace term only is possible—the unconditional surrender of arms. If anything less is accepted I shall be grievously disappointed; anyone who asks for less is the enemy of his country. Until the only armed force is the regular army, under the strict control of the duly elected Government, there can be no peace. The rebel element must learn that the law must be obeyed.

[A heavy explosion has just shaken my house. I assume that Mr. de Valera's armed forces are again proving that they are the servants of the nation.]

When the last shot of the Irregular campaign is fired, even then perfect peace will not descend on Ireland. There will be agrarian outrages, mansions will be burned to make the owners subdivide the adjoining lands. Personal feuds will end in bloodshed. Bolshevism will try to raise its head. Many problems confront the Government. Shall we win through? I believe the answer is, "Yes." But if we are to win through soon, moral regeneration must come quickly. A well-known judge was asked the other day what code of laws would be most suitable to the Free State. "The Ten Commandments," was the reply.

THE PROBLEM OF EAST-CENTRAL EUROPE

I.

WHEN the end of the Habsburg Monarchy had come, the chief desire and care of the Austrian Germans was to preserve their own old sphere of interest within it, a Western Austria stretching from the German settlements in Northern Bohemia down to the Adriatic Sea ; they gave no thought to Hungary, since 1867 politically and economically a separate State, nor to Galicia, the Bukovina and Dalmatia, extraneous provinces, late eighteenth century acquisitions of the Habsburgs. But it was essential for them to maintain their own sphere, be it now on terms of equality with the Czechs and Slovenes. Western Austria had grown up on a genuine geographical basis and numerous economic and cultural bonds encompassed it, across territories of divers language.

The chief concern of the Czechs and Slovenes, however, was to attain Czechoslovak and Yugo-Slav national unity : neither economic considerations nor the difficulty of joining together provinces which never in modern times had been united could possibly induce them to give up their national aims and acquiesce in the maintenance of the old Austrian-German inheritance, even if in a thoroughly modified form. They would not agree to continue under Vienna ; still, they fretted at Austria intervening between them. At the Paris Conference they put forward the impracticable suggestion of a "corridor" through German West Hungary (territory subsequently assigned to Austria) ; they

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wanted to establish a link between Czechoslovakia and Yugo-Slavia and a barrier between the Austrian Germans and the Magyars. Moreover, whilst intent on their own national unity, they would not, and will not, allow the Austrian branch of the German nation to re-unite with Germany; among other reasons, because such re-union would permanently separate them from each other and for ever perpetuate the break-up of the useful geographical combination once embodied in Western Austria.

Geographic and national unity clash in the countries which face the middle Danube. The river and its plains had been an open highroad for invaders, the surrounding mountains had offered refuge and protection to the defeated. In the seventh century the whole of East-Central Europe, from the Baltic to the Adriatic and the Ægean, had been Slav. But successive waves of Mongol and Turanian invaders—Huns, Avars, Magyars, Tartars and Turks—swept from the east over the Hungarian plain; the Magyars were the first of them to remain and found a State. Meanwhile the Germans, for self-defence, had stepped into the narrow gap between the Carpathians and the Alps and founded the *Ostmark*, the nucleus of Austria. A barrier of Germans and Magyars henceforth separated the Czechoslovaks and Russians from the Southern Slavs. The growth of the Austrian-German and the Magyar State caused yet another division of the Slav territories. The German outpost on the Danube obtained control of the Czech mountain bastions in the north, and across Slovene country gained access to the Adriatic. The Magyars, whose own ethnic settlements nowhere extend into the mountains—the nomad horsemen had kept to the plains—secured convenient strategic and economic frontiers for their State by establishing their social and political dominion over the Slovaks, Little Russians, and Rumanians who inhabit the broad defensive wall of the Carpathians, and obtaining control of Croatia, which intervenes between the Hungarian plain and the Adriatic. The frontier between Austria

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and Hungary, as it existed until October 1918, thus separated the Czechs from the Slovaks, and the Slovenes from the Croats and Serbs. The union between the Germans and Magyars in the Danubian Empire of the Habsburgs was formed for defence against the Turks, the last Asiatic invaders in the Hungarian plain and at the Vienna gate; in the remodelled Dual Monarchy, it was continued against the Slavs. The rise of Russia in the eighteenth and of democracy in the nineteenth century had confronted the Austrian Germans, Magyars and Turks with a common danger; their subject peasant races awoke to political existence and, being Slav or Greek-Orthodox or both, turned their eyes towards Russia. The expulsion of the Habsburgs from Germany and Italy, and the fixing of the German-Magyar dualism in their Danubian possessions, close the first half of the nineteenth century in Central Europe (1815-1867); the complete and irrevocable disruption of Austria, Hungary and European Turkey concludes its second half (1867-1919). Submerged races have re-arisen and old conquests have been obliterated; linguistic nationality has vanquished States and even geography. Those whom the Germans and Magyars had pressed against the walls have reasserted themselves within the precincts and broken up the geographical unity of the enclosures; wherever in the drawing of frontiers the principle of nationality was abandoned, this was invariably done to the disadvantage of the two once dominant races. The Czechoslovaks, Yugo-Slavs and Rumans have achieved national reunion, whilst the Little Russian districts of north-eastern Hungary, freed of the Magyars but separated from Russia by the Polish occupation of East Galicia, have for the time being been joined, as an autonomous unit, to Czechoslovakia. Some 6½ million Austrian Germans and about the same number of Magyars on the middle Danube are encircled by the three States of the Little Entente with a joint population of about 40 millions. What is the future of that part of Europe? Will some kind of co-

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operation be established between its many small States, ill fitted for economic self-sufficiency, and will such co-operation lead in time towards a political disarmament, or will a new Balkan arise—a "Balkan" being a region of small nations whose jealousies and quarrels are excited and exploited by the diplomacy of the Great Powers?

Whilst the artificial eclipse continues of the two greatest Continental Powers, Germany and Russia, it is difficult to forecast political developments in Europe; most difficult of all in East-Central Europe, their natural sphere of interests and influence. Merely some principles of policy and certain fundamental facts and tendencies can be discerned at present.

The politics of East-Central Europe are now dominated by an uncompromising linguistic and racial nationalism which, well suited to nomadic conditions, causes deep disturbances when applied to settled communities and would-be States. Each nation asserts its own unity, and tries to gather in even its small, scattered minorities, regardless of the rights of its neighbours; the more iniquitous a conquest, the harsher is as a rule the treatment meted out to the "alien" majority. Regional patriotism is practically non-existent; every frontier district is an object of dispute. Neighbours are enemies, but nations "once removed" are friends united by a common hostility against those who intervene between them. A common frontier makes for friendship if drawn across territory to which neither neighbour has any right—*i.e.*, if it results from a joint spoliation of a third party. Sometimes a common danger represses latent frontier disputes. In short, most of these friendships are based on some hostility or fear. Other things being equal, racial and cultural affinities are of very considerable importance. Common economic interests count, especially with the more civilised nations, but are nowhere decisive.

The Czechs and the Germans are the most civilised, one is almost tempted to say the only civilised nations in

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East-Central Europe. They alone have attained a high level of economic development; Czechoslovakia is the workshop and Vienna the commercial centre of East-Central Europe, and the two suffer most under its political disruption, its progressive decay and barbarisation. Ever since November, 1918, their own policies have invariably been pacific. Yet even with the Czechs nationality by far outweighs all economic considerations, and they would not think of a political federation with other States unless Prague were to be its capital. The other new or enlarged States, on a honeymoon with "sovereignty" and greatness, develop similar autocentric ambitions, only with less tact and justification. But naturally the centre of such a federation would have to be Vienna or Budapest—ominous cities, not to be reinstated as capitals by the recently subject, now victorious nations.

But even for a looser combination, a League or Concert, the necessary basis of security and mutual regard is lacking. East-Central Europe is disturbed by the Empire which the Magyars have lost and by that which the Poles have unrightfully acquired, and peace cannot come until the Magyars have been made to abandon their regrets, the Poles their conquests, and both their excessive armaments and conceit. Comity among nations is incompatible with the idea of "master-nations," but after centuries of social dominion the Magyars look down on the Slovaks, Yugo-Slavs and Rumans, and the Poles on the Lithuanians, White Russians and Little Russians (and to a lesser extent, the Germans on the Czechs, and both the Germans and Italians on the Yugo-Slavs). Shall a thousand grandsons of serfs count for more than one noble big landowner? It is not an easy thing to reconcile political democracy with social inequality, least of all where differences of nationality coincide with class distinctions. The Magyars, neurotics of nationalism, rave about the "rights of the Crown of St. Stephen"—*i.e.*, of its paladins, and eagerly await a chance of trying to re-establish "the integrity of Hungary."

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In Poland, even "democratic" statesmen have argued that the frontier between Poland and Russia should be drawn on an average of human beings and the acres owned by them. Anyhow, the Poles have carved out for themselves a wide empire in violation of Russian national rights and of their own solemn promises, and against repeated protests from the Western Powers. This empire cannot last, and everybody in Central and Eastern Europe knows it. But what other pent-up hostilities will break forth when Russia moves to recover the ethnic Russian territories, especially should Germany move simultaneously to re-establish her eastern frontier? Where impossible frontiers have been imposed on the giants, where therefore everything remains in a state of uncertainty, how can any small nation feel sure that the last word has been said about its own disputed frontiers, and how can there be peace, to say nothing of trustful co-operation, where the air is thick with fears and irreconcilable desires?

A common interest unites Russia and Germany against Poland; Czechoslovakia, Yugo-Slavia and Rumania against the Magyars; and Italy and the Magyars against Yugo-Slavia. But the Czechoslovaks and Yugo-Slavs, whilst strongly pro-Russian, are anti-German; and the Rumanians, on the other hand, share the anti-Russian interest with the Poles. Austria alone in this cauldron of hostilities lacks a national policy, and the chief concern of her successive Governments is literally to secure the economic survival of her population; she alone is not a nation, merely a small fragment of a great nation, with whose fate her own fate is unavoidably bound up.

If Germany and Russia do not revive, East-Central Europe will plunge into political chaos and economic disaster; if they revive, a revision of values must follow; and until they revive, political combinations on the Continent will remain precarious and unstable, because based on fanciful valuations, in disregard of true weights and measures. In any case, Austria's attitude matters, if

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merely for geographical reasons (even now, by taking sides, she could close the ring of the Little Entente round the Magyars, or alternatively establish the connection between them and Italy). But, what is more important, it is in Austria and through Austria that German policy in South-Eastern Europe will declare itself. Will this German outpost seek friendly co-operation with its Slav neighbours, or, when it feels Germany's renewed strength behind it, will it aim once more at supremacy, encouraged by, and in turn encouraging, Magyar ambitions? The choice will rest with the Austrian Germans at least as much as with Germany; even clear interests of the vast majority of a nation do not always prevail against the will and the passions of the exposed and directly interested minority. With regard to Poland, the Germans and the Russians had before the war an obvious common interest, as fellow-conquerors; now as fellow-sufferers. But nevertheless the break between them came in 1914, when Russia took up the cause of a small Slav nation, whilst Germany defended German-Magyar supremacy on the Danube. The same issue now centres on the line between Prague and Vienna—how will their mutual relations shape in future? If they follow the right lines, if this tendency is maintained by the new Germany, if the Germans refrain from reviving their dreams of empire in the south-east, and the Slavs consequently lay aside their fears and suspicions, if the Poles and Magyars accept notions of international democracy, then East-Central Europe may attain stable balance and peace. Otherwise, even though the organising efforts of Czech diplomacy may now assure temporary tranquillity, Balkanisation would be its final fate. And "Balkans," though fostered by the competing policies of the Great Powers, finish by drawing them into conflicts against their own will.

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II. CZECHOSLOVAKIA

THE Czechoslovak Republic has an area of 54,877 square miles and 13,605,000 inhabitants, ten millions in the Czech provinces, three millions in Slovakia, and 600,000 in the autonomous province of Carpatho-Russia. 8,759,000 (65.05 per cent.) are Czechoslovaks, 3,122,000 (23.4 per cent.) Germans, 746,000 Magyars, 460,000 Russians, and 180,000 national Jews (about half of the religious Jewry of Czechoslovakia); the German minority is concentrated in the Czech provinces which before October, 1918, formed part of Austria, the Magyars in Slovakia and Carpatho-Russia, which belonged to Hungary. Between 1910 and 1921 the number of the Germans has decreased by 625,000 and that of the Magyars by 325,000, partly through migrations, partly because the Jews are now allowed to register as a separate nationality, and partly because this time certainly no pressure was exercised in their favour. The results of the religious census are not yet complete; before 1918 almost the entire population of the Czech provinces was nominally Roman Catholic, and of Carpatho-Russia Greek Catholic; in Slovakia about two-thirds were Roman Catholic and almost one-third Protestant. Since 1918 about one million people have left Roman Catholicism and joined the Czech National Church or one of the Protestant Churches, or have declared "without confession."

The Germans form solid majorities on the fringes of the Czech provinces, especially in Northern and Western Bohemia; at the Paris Conference they demanded the separation of these districts from Czechoslovakia, which would have meant economic disaster for the Czechs and Germans alike, and geographically would have made the Czechoslovak State impossible. A great part of them, led by schoolmasters of every description, perseveres in this

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demand, and continues to plough the sands of a sterile and provocative nationalism, to the exclusive advantage of their corresponding numbers on the Czech side. Especially strong in the lower middle classes and among the small and numerous Government officials, these Czechs retaliate by petty, narrow-minded chicanery, in turn supplying the German nationalists with welcome opportunities for screaming about their injured "minority rights." But in the Czech Parliament these same German nationalists recently moved a Bill for restricting the percentage of Jews in Government schools, in direct contravention of the Minority Treaty; it was lost because of the 199 Czechoslovak members only one single Clerical was got to vote for it. The more reasonable, economically thinking elements among the Germans, in the first place the Agrarians and Socialists, incline towards co-operation with the corresponding groups among the Czechs, and there is a chance of such a *rapprochement* in the future. Forming one-fourth of the population in a small country surrounded from three sides by German territory, the Germans of Czechoslovakia, provided they acknowledged the Czechoslovak State, could exercise considerable influence over its policy, and more effectively further their own national cause than by making the Czechs feel dependent on French support; Bismarck reprimanded the Pan-Germans who wished to split off from the Habsburg Monarchy, and Treitschke severely rebuked a group of Baltic Germans who played the separatist in Russia. But the Bohemian Germans have no able politicians—the cleverest migrate to Berlin, and for those who remain the question, *e.g.*, whether or not Reichenberg is also to be known by its Czech name of Liberec, overshadows all problems of world policy. When the Bill for guaranteeing Austria's credit under the Geneva scheme came before the Prague Parliament, from among the Germans the Nationalists voted against it to avoid acknowledging that the Czech Government was doing something for their Austrian brethren; the Socialists did

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the same because for party reasons their Vienna comrades opposed the scheme; the Clericals alone voted for it, because the Austrian Chancellor, the sponsor of the scheme, is himself a Clerical. It was the Czechs who against the German votes carried the Bill for helping Austria.

At the decisive moment in history, the Czechs had the good fortune to produce true statesmen, and the good sense to follow them. President Masaryk is one of the finest characters and best minds in European politics. A philosopher statesman, who repeatedly, in defence of truth and justice, defied popular passions and never had a programme to attract the masses, he was a lonely man among the politicians. But when the crisis came the Czechs rallied to the mild old professor who, strong in faith, kept up their spirits when hope was failing; victorious, they unanimously elected him President of the Republic. Even the Germans acknowledge his high character and merely complain of his not being able to make his own spirit prevail in the administration of the country. Dr. Edward Benes, President Masaryk's disciple and assistant, has been Czechoslovakia's Minister for Foreign Affairs since October, 1918, and by his statesmanship has secured for her a place next to the Great Powers. Clever and conciliatory, he is the peace-maker of East-Central Europe; he knows its problems and its "statesmen" and, himself free from vanity, succeeds in leading them without their resenting his leadership. Not to offend the short-lived masters of an ephemeral situation, he fits himself so closely into it that one sometimes wonders whether he himself has not become part of it. He has created the Little Entente—what does he really think of the alliance with Rumania? He works with the French—does even he share the agoraphobia which besets the Czechs in international politics? A small nation which has built up a new State in unsafe surroundings, they fear to stand alone and feel a vague desire to find cover with some Great Power. In the

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absence of Russia the Czechs turn to France, but against the Magyars they do not require French help, and as for Germany, France and her protégé Poland will much sooner require the help of Czechoslovakia than she theirs; and then the Czechs will do well to keep out of it. In Dr. Rasin, Czechoslovakia had found the man, in office and out of office, to control her economic and financial policy; unbending, upright, with a clear, sharp and yet fanatical mind, in his *intransigence* he was a poor politician but a great financier, in these days a fit trustee of a nation's printing press, treasury and financial conscience. By imposing heavy taxation he made the nation feel the other side of Government spending, and at the same time succeeded in covering ordinary expenditure from normal revenue. He withdrew from circulation half of the paper money which Czechoslovakia had to take over from the Austrian Empire, and absolutely set his face against any printing of fresh uncovered banknotes. This prohibition has by now sunk deep into the Czech mind. He never cared about his own popularity. A ruthless enemy of Government extravagance and with the courage to defend capitalism on its own merits, he fought hard battles against the Socialists, with varying success. He has been killed by a shot fired at him on January 5, 1922, by a Communist maniac; but so much he had by that time achieved that Czechoslovakia, alone of all Continental countries which fought in the war, balances her Budget and has considerably improved her foreign exchanges during the last two years.

The material foundations for a sound economic policy exist in Czechoslovakia. Her economic organisation resembles that of Germany, her population is well educated, hard-working and thrifty; her trade balance is active. Her agriculture is highly developed, and so are her agricultural industries, sugar factories, breweries and alcohol distilleries—in fact, Czechoslovakia is the greatest sugar-exporting country in Europe. The Slovak forests cover her requirements in timber and yield a surplus for export. About

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80 per cent. of the textile industries and engineering works of the late Austrian Empire are concentrated in Czechoslovakia; yet her output of coal exceeds her own needs. Her glass and porcelain industries are among the first in the world. If anything, Czechoslovakia is "over-industrialised"—will she in future find sufficient markets for her manufactures? Like England, she covers the industrial requirements of her home markets in two or three months, and during the rest of the year has to work for export.

The Czech industries grew up behind the high tariff walls of Austria-Hungary—*e.g.*, the textile and iron industries working mainly for what were then their home markets. With the disruption of the Habsburg Monarchy, the tariff lines were shifted, each of the Succession States embarking on a protectionist trade policy. Moreover, Czechoslovakia's old customers in Eastern and Central Europe have grown very poor, and the ruin of their currencies, whilst impairing their purchasing power, raises unsound competition. The changes were not, however, felt at first; the world-wide post-war trade boom lasted till the summer of 1920, and was followed in Czechoslovakia by a spurious local boom, based on a falling currency; until the early summer of 1922 the Czech crown sank together with the German mark and the Austrian krone. It took some time before it was realised that financially Czechoslovakia must not be lumped together with her neighbours. Once the Czech currency had acquired an independent status and established itself beside the Swiss franc as the only good currency of Central and Eastern Europe, the Germans, and still more the Austrians, began buying and hoarding it in their flight from their own paper money. As the entire issue of Czechoslovak kronen amounts to only something like 10 milliards (at the present rate of exchange £60 million), the Kc.* began to rise rapidly in foreign markets—from 400 to the £ in November, 1921, to 250 in the spring, and 125 in August, 1922. But

* Kc. signifies the Czech krone.

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the internal value of a currency cannot adjust itself quickly to an appreciation of over 300 per cent. in ten months ; taxation and tariffs on the railways (uneconomically run by the State) remained unchanged, retail prices in the home markets took a long time to fall at all, no considerable cuts could be made in wages, and in many an industry the cost of production soon came to exceed world prices, putting an end to export trade. The reductions in prices, when at last made, entailed heavy losses for those who worked on Kc. credits—their debts remained unchanged whilst their stocks had to be written down. Unemployment and bankruptcy at first increased very much in Czechoslovakia ; and even though a slight improvement seems to be setting in now, people ask themselves how much of the present crisis is due to fluctuations in foreign exchanges, and how much to more permanent factors which will hamper recovery even after the necessary readjustments have been effected ? Czechoslovakia is dependent on the European markets to a much higher degree than are we ourselves ; her overseas trade is comparatively small, and she for one cannot withdraw from Europe. Her future prosperity is bound up with the economic recovery of Germany and Russia and the economic reconsolidation of East-Central Europe ; her most vital interests ought to have made her foreign policy support ours ; but nationalist fears and military considerations have to some extent riveted her to France. Moreover, so far, the big economic interests carry hardly sufficient weight in Czechoslovakia ; her Socialists are doctrinaire opponents of capitalism, whilst her anti-Socialists are *petits bourgeois*. In general, there is still too much timorous striving after an unattainable self-sufficiency. But sooner or later Czechoslovakia will have to make a bid for a wider freedom in an open field, both economically and politically. Perhaps the economic side will come first.

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III. AUSTRIA

AUSTRIA having been dealt with in two recent issues of *THE ROUND TABLE*,* it will suffice in this article just to touch upon the outstanding facts of her position.

Almost 30 per cent. of Austria's population are concentrated in Vienna, which had grown up as the capital of the Habsburg Monarchy, the administrative, financial and commercial centre of a wide Empire, but has now for its hinterland nothing but a few poor Alpine provinces, which have neither produced nor can maintain it. In the absence of a true national bond to unite them, the two form well-nigh hostile camps, the Socialist workmen of Vienna and its urban surroundings clashing in every way with the Clerical peasantry of the country districts. Austria lacks both the moral and the material conditions of an independent existence. Her agriculture cannot feed her population; barring the iron ore of Styria, her mineral wealth is small; she has hardly any coal, and her water-power is undeveloped. Her industries and her transport have both been disorganised by the war and the subsequent political disruption. Most of the Vienna industries, like those of Paris, depend for their production and markets on a refined taste, which perishes under the conditions now prevailing in East-Central Europe. Even among the manufacturing and trading community of Austria considerable readjustments are required in employment; whilst a disproportionate number of discharged or pensioned officers from the late Imperial Army and officials from the bureaucracy are anyhow on the look-out for any available office work or add to the burdens of their severely impoverished country.

The financial and economic distress which was bound to result from the downfall of the Habsburg Monarchy, and

* *THE ROUND TABLE*, No. 48, September 1922, p. 735, and No. 50, March 1923, p. 321.

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the reckless finance of the four years which followed it, and has made things a hundred times worse, were described by us last September.

The international credits now granted to Austria under the League of Nations scheme temporarily enable her to cover the deficit in her budget, and have helped her to break through the vicious circle of inflation—which in itself is a great boon. Moreover, foreign control has enabled her Government to impose taxation and apply the “axe” to the bureaucracy in a way it would not have dared to do on its own. Still, the idea that after the two years foreseen by the scheme Austria will, without foreign help, balance her budget and provide for the services on the loans she is now receiving, seems based merely on pious wishes and hopes. It will require a considerable improvement in the condition of Germany and Russia, and considerable progress towards a re-integration of East-Central Europe before the active part of Austria’s population can find profitable employment; and under the most favourable conditions it will take a good long time before Austria produces more than she consumes. In a *rapprochement* with Czechoslovakia and Yugo-Slavia, Austria would probably find the best chance of economic recovery, whilst such a *rapprochement* would, both for political and economic reasons, be of the greatest value to the other two countries. But Italian jealousies and clerical intrigues at present bar the way to this natural solution of one of the most difficult problems of East-Central Europe. And anyhow, this will not be reached in Geneva, nor effected in the absence of Russia and Germany.

IV. YUGO-SLAVIA

OFFICIALLY Yugo-Slavia is called the Kingdom of the Serbs, Croats and Slovenes, or, for short, “S.H.S.,” which sounds like a chemical formula; but the Serbs would not surrender their name, nor the others their individuality.

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Since Yugo-Slavia exists, and whatever differences there are concerning the form which the union is finally to receive, no one doubts its survival. But the welding together of this State is no easy task; it consists of eight historically and culturally distinct parts, inhabited by a nation which speaks two, it is true closely allied, languages—Serbo-Croat and Slovene—and professes three different religions. The Serbs are Greek-Orthodox, and use the Cyrillic script, whilst the Croats and Slovenes are Roman-Catholics, and use the Latin writing; the Bosnian Mohamedans, who speak the same language as the Serbs and Croats, are not covered by either name. Indeed, unless this nation becomes Yugo-Slavia in name and in spirit, no one formula will cover all its cross-divisions.

Yugo-Slavia has an area of 90,000 square miles, and, on January 31, 1921, had a population of 12,017,000, of which about 10 millions were Yugo-Slavs (8,965,000 Serbo-Croats, and 1,025,000 Slovenes); of every ten Serbo-Croats about six are Serbs, three Croats and one Mohamedan. There were, moreover, 203,000 other Slavs, 513,000 Germans, 472,000 Magyars, 442,000 Albanians, and 13,000 Italians. 46.6 per cent. of the population were Greek-Orthodox, 39.4 per cent. Roman-Catholic, 11.1 per cent. Mohamedans, 1.8 per cent. Protestants, and 0.5 per cent. Jews.

In the north-western corner of Yugo-Slavia lies Slovenia, late Austrian territory, clearly distinct from the Serbo-Croat parts of Yugo-Slavia; of its 1,056,000 inhabitants 93 per cent. are Roman-Catholic Slovenes. Having for centuries stood in contact and conflict with the Germans, they are the most literate and most civilised of the Yugo-Slavs.

At the eastern end of Yugo-Slavia lie North Serbia—*i.e.*, Serbia within the frontiers of 1878 to 1912—and Montenegro, both inhabited almost exclusively by Greek-Orthodox Serbs, a hard peasant race of fighters unsurpassed even in modern warfare. Less civilised than any of the provinces which had been under the Habsburgs, Serbia was the

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Piedmont of Yugo-Slavia, and now, some say, threatens to become its Prussia; where differences in character subsist, the dividing line between liberation and conquest is elastic. And a lurking suspicion there is in the typical Serb against Slavs who belong to the strange, western, Latin Church; the doctrine that the true Slav ought to be Greek-Orthodox is deeply engrained in the Serb as well as in the Russian mind, and is not altogether devoid of truth. Still, the Serbs would do well to moderate their pride and claims, and the others to remember how much the Serbs have done and suffered for the common cause. In 1910 Serbia had 2,912,000 inhabitants, in 1921, after the wars of Yugo-Slav liberation, only 2,655,000; the number of men had decreased by 231,000, and of women by 26,000. Similarly, Montenegro, with a population of 200,000, has suffered severely in the wars.

Between Serbia and Slovenia lie the three mixed Serbo-Croat provinces, each with a long and eventful history and its own cultural, social and administrative peculiarities. Croatia, which for centuries had formed an autonomous kingdom under the Hungarian Crown; Dalmatia, a late Venetian, since 1815 an Austrian province; and Bosnia-Hercegovina, up to 1878 under Turkish, and then under joint Austro-Hungarian administration. Croatia has a population of 2,740,000, two-thirds of them Croats, and almost one-fourth Serbs, in settlements almost inseparably intermixed with each other; the remainder are mostly Germans and Magyars. In general culture, in economic and administrative ideas and institutions, Croatia is considerably ahead of Serbia; it enjoyed European government, in addition to self-government, whilst Serbia was still a Turkish province. Although the Croats accept the Yugo-Slav idea, they will never agree to being merged in an enlarged Serbia. Their fate is to the west, they are proud of not being "Balkanic," and, moreover, from a spirit of narrow doctrinal constitutionalism, which they have caught from their old enemies, the Magyars, they cling to every

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tradition and detail of their ancient "State Rights." They complain that Serbia sends them too many officials from the centre, and, at the same time, tries too much to centralise all Government business at Belgrade; that the Serb administration is corrupt, backward and inefficient; that Serbia both exploits and neglects them economically. Many a Croat complaint is unfortunately justified, but also many a post-war ailment universal on the European Continent is put by them to the particular account of the Serbs and made by them into a rationalised excuse for the dislike they feel even of a reasonable measure of centralisation. The final solution of the constitutional problem will have to take due account of both points of view; should the Croats succeed too well in fully realising their claims, the 650,000 Serbs in their own midst will transfer to Croatia the difficulties which now beset the "S.H.S."

Bosnia-Hercegovina has 1,890,000 inhabitants, almost all Serbo-Croats; about 44 per cent. of the population are Greek-Orthodox, 23 per cent. Roman Catholic and 33 per cent. Mohamedans. The province has a very strong peculiar character of its own; and the three groups of Yugo-Slavs here too live in inextricably intermixed settlements.

Dalmatia has a population of 621,000, mostly Croats; Italian cultural influence has been strong in this province, but an Italian national minority is almost non-existent—it counts 4,586 representatives. The Dalmatians were the first to raise the modern national Yugo-Slav idea, divorced from religion. They are the most cultured and best educated among the Serbo-Croats; and whilst the mentality of the Zagreb Croats has been formed largely under German and Hungarian influence, the Dalmatians, a Mediterranean seafaring race, are disciples of the French and Italians. This was at first apparent even in their constitutional ideas; centralism seemed to them the natural constitutional form for a re-united nation; but then they thought of a Yugo-Slav, not of a Serb, centralism.

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To sum up: The three provinces which intervene between Slovenia and Serbia have a joint population of about 5½ millions, almost all Yugo-Slavs, about half of them Croats, the rest Serbs and Mohamedans. There would be little sense in lumping these three provinces together, and still less in partitioning any of them; and considering the marked individuality which each of them has, a fair measure of autonomy seems desirable. This, however, must be but a step towards closer union between the Serbs and Croats; should they fail to reach it in Yugo-Slavia as a whole, their quarrels will be reproduced in each of these separate provinces.

South of the old kingdom of Serbia lies the province of "Southern Serbia," consisting of the Macedonian and Albanian territories which were Turkish until 1912, and have been objects of discord ever since. Of its population of 1,475,000 about half is Greek-Orthodox and half Mohamedan; by race they are Serbs, Bulgars, Albanians, Kutso-Vlachs, Greeks, etc., and the accuracy of the official statistics for this practically savage country seems open to doubt; 60 per cent. were put down as Serbs, but one cannot help suspecting some extensive "annexations" having been made here at the expense of the Bulgars.

North of Serbia lies its second Macedonia, the districts of the Bacska and the Banat, until 1918 parts of Hungary proper, now joined into one province under the name of Vojvodina. It might have been better for Yugo-Slavia herself had the frontiers of this province been less lavishly extended to the north; but anyhow, each part of it is strongly mixed in nationality and religion, this rich province having been colonised by various races. Of its 1,380,000 inhabitants, 514,000 are Serbs and Croats, 382,000 Magyars, 328,000 Germans ("Suabians" from southern Germany), 74,000 Rumans, 68,000 Slovaks and Little Russians, etc. In religion they are Greek-Orthodox, Greek Catholics, Roman Catholics, Calvinists, Lutherans, Jews, etc.

The discord between the Serbs and Croats became acute

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even before the first Yugo-Slav Parliament had met, and only a few Dalmatian Croats entered it, 60 Croat members refused to do so. A further 59 Communists were excluded from it: there remained merely a rump of some 300 members. But the centralised constitution carried in that Parliament by the Serbs with the support of the Mohamedans and of some Slovenes is not likely to survive long. To the new House, elected last March, the Croat nationalists have been returned in increased strength, and negotiations for a compromise were immediately opened with them by the Serb centralists; what their outcome will be it is as yet impossible to foretell. Anyhow, it was not through constitutional centralism that Prussia unified Germany, but by giving her an efficient administration, a super-efficient educational system, and by building up a new economic life, a new coherent structure raised above the old Germany.

Yugo-Slavia has enormous economic possibilities,* but they must remain unused unless an efficient, progressive Government creates conditions under which foreign capitalists could undertake the work, and, most important of all, until good railways and harbours are provided for the transport of the ores, timber, grain, fruit, etc.

Yugo-Slavia's railways had suffered terribly in the war, and her natural harbours have been taken from her and ruined by the Italians. Moreover, the railways in the late Austro-Hungarian provinces run in wrong directions, having been made to converge on Vienna and Budapest, whilst the Yugo-Slav countries were artificially kept apart—e.g., no railway connected Bacska with the Banat, or Bosnia-Hercegovina with Serbia. To this day Yugo-Slavia has only one single line running east and west, the

* Vojvodina has the richest of wheat land and orchards and vineyards; Bosnia-Hercegovina, plums and prunes on a large scale; Croatia, the best oak in Europe; Bosnia-Hercegovina, excellent pinewoods; the country generally, oil, copper, coal in large quantities, and excellent iron ore, though very few mines are worked; and enormous, though undeveloped, water-power, as well as cheap labour.

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poor single-track railway from Belgrade to Zagreb, so overcrowded that goods trains stand for weeks in its stations without there being any possibility of moving them. Moreover, the service on the railways is poor; it would have been too dangerous to retain the Magyars with whom they were largely staffed, and of the Yugo-Slavs the best could not be got to replace them as the pay of the civil service is too poor.

The Yugo-Slav Government has no money. For fear of losing votes, the politicians dare not tax the peasants who form about 85 per cent. of the population and own practically the entire wealth. As in Austria during the period of money-printing, the Government has to get by fraud what it does not dare to claim openly. It has printed money and imposed indirect taxes; but as most of the revenue is spent on the army and the civil service, the existing method of taxation leads inevitably to an increase in expenditure, this to fresh taxation of the same description, etc. Between her politicians and her peasants, Serbs and Croats alike, Yugo-Slavia remains poor in spite of her natural wealth. Even her agricultural production has diminished considerably of recent years. The peasants, more eager to seize land than to work it, have recklessly destroyed the big estates, the best organised centres of agriculture; and meantime the successive Governments merely invented euphemistic terms of "agrarian reform" to cover up the high-handed actions of the sovereign peasants. It is on mining, industry and trade that the economic life and even the State organisation of Yugo-Slavia will have to be raised; in certain circumstances peasants may become a State-preserving, but they are not a State-building, element. Nor will the Yugo-Slav peasants ever supply the capital required for industry. They invest their savings on their farms, hoard money in coffers or waste it on luxuries, but subscribing to industrial issues lies beyond their sphere of thinking. The capital and initiative must come from outside.

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It is in Yugo-Slavia that Czech industry and Austrian commerce and finance could find the most profitable field for their activities, and it is through the intermediary of these kinsmen and neighbours of Yugo-Slavia that more distant countries could best co-operate in her economic development. But the first step towards such co-operation would probably have to be the handing over of the railways of all the three countries, Czechoslovakia, Austria and Yugo-Slavia to one single Anglo-American railway concern which would eliminate bureaucratic waste and political jealousies, and thus provide good and cheap transport. This sounds like a daydream—but perhaps all thoughts of economic recovery and further development are for these parts of the world in our own time nothing better than daydreams.

UNITED KINGDOM

I. CURRENT POLITICS

The Government and the Country

WHEN Mr. Bonar Law said of the "Tranquillity" Government that while he hoped to secure that blest condition for the country, he and his colleagues did not expect it for themselves, he drew a prudent and necessary distinction. The days are gone for ever when the seats of office might have been expected to afford the occupiers a safe or comfortable ride; democracy is likely to prove more than usually fractious between the shafts until the times allow a better fit to the harness. The roughest part of the Ministerial road so far is that which leads towards the decontrol of rents. Here the electorate has laid its ears back and kicked, and three members of the Government have already been left as casualties by the roadside.

The General Election left several Ministers unprovided with seats. By February 13, when Parliament met, Sir Arthur Griffith-Boscawen, Mr. J. W. Hills and Col. Stanley had been designated for presumably safe Conservative seats, all urban constituencies of the middle-class type—Mitcham, the Edge Hill division of Liverpool, and Willesden respectively. The polling results, made known on three successive days early in March, brought triple disaster to the Government. Col. Stanley was beaten in a straight fight with a Liberal. Sir Arthur Griffith-Boscawen, with the

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aid of an independent Conservative candidate, the origins of whose candidature are not clear, lost to Labour. Mr. Hills also lost to Labour in a straight contest remarkable for Conservative abstentions. Seldom has a Government, within four months of its election, met with a plainer rebuff.

Just as a private member on the Ministerial benches may feel a greater liberty of voting against the Government when its majority is secure, so constituencies customarily loyal will permit themselves some latitude at a by-election when they think a protest necessary against the Government they have established in office. This is the most probable explanation of the results. They expressed middle-class disapproval of the Government's handling of the decontrol of rents, the leading issue in all three cases. They were intended rather as a prod than as a knock-out. Sir Arthur Griffith-Boscawen, the Minister of Health and the responsible exponent of official policy, was unlucky in that the still fluid state of that policy prevented his making the unqualified kind of pronouncement that the elections required. The Government had at first adopted the principle of progressive decontrol according to the class of house and in descending order of annual value. This was resented as a differentiation against the middle class. It was subsequently modified by making decontrol in any case dependent upon a sufficiency of houses, but, as the event proved, in vain. A further noteworthy factor in the reverses was the reluctance of an electorate, by no means inured to party discipline of the pre-war order, to fall in with the convenience of party organisers and accept candidates, of whatever political standing, imported from elsewhere. At Darlington and subsequently at Ludlow local candidates had no difficulty in retaining seats for the Government.

After the elections no course was open to Mr. Bonar Law but to accept the resignations of the three defeated Ministers. The vacancies were filled from within the House of Commons. Mr. Neville Chamberlain, brother

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of Mr. Austen Chamberlain, became Minister of Health, an office for which the large share he has taken in local government in the progressive municipality of Birmingham especially fits him. He was succeeded as Postmaster-General by Sir W. Joynson-Hicks.

Mr. Chamberlain made it a condition of his acceptance that he should be allowed to think out the policy of his department afresh. In regard to the decontrol of rents, legislation is on foot to prolong the period beyond this summer, when it is at present due to end. The principle of the permanent settlement is to be made known shortly. Almost certainly a date will be fixed in 1925 for the simultaneous decontrol of all controlled houses irrespective of value.

The control of rents and the supply of houses between them constitute one of those vicious circles familiar in war-time economics. If decontrol takes place before more housing room is at the disposal of the population, hundreds of families may be turned into the streets. Until decontrol takes place, the initiative of the private builder is not free to make good the deficiency. State encouragement is essential to resolve or to ease the dilemma. Mr. Chamberlain's housing plan reverses the Addison principle. It continues State assistance in the form of a share in the annual loss on houses provided under local schemes, limited to £6 annually on each house and to twenty years' duration. The liability of the State is thus restricted and the obligation of administrative economy is thrown upon the local authorities. Houses ranking for State subsidy are not to exceed a certain specification. The limit provisionally fixed excludes, or practically excludes, the feature of a "parlour," dear to the British heart, and indeed indispensable, judged by democratic standards of housing. The praiseworthy intention of the Government is to ensure that the subsidy is not employed in the provision of dwellings beyond working-class means. But the outcry has been loud and immediate, and, rather

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than incur the reproach of responsibility for "State-built slums," the Government is almost certain to enlarge its housing standard.

It will be seen that bread-and-butter politics, in a country none too richly provided with either at present, have furnished the principal excitements of the quarter's politics and the main domestic difficulties of the Government. Yet another pinprick is involved in a national re-assessment of house property for income tax purposes, provided for by the late Government, the effect of which will be generally to increase the tax payable. This comes the more bitterly to the overwrought taxpayer because it makes the Government appear to take back with one hand the precious remission of income tax which it has just bestowed with the other. A vigilant Labour opposition does not fail to make the best, or the worst, of these opportunities.

If we add the Budget, which will be discussed later, and air defence, the inadequate condition of which arouses no little anxiety and is frankly admitted by the Air Minister, the leading issues of current domestic politics will have been enumerated. The main problem in foreign politics concerns, of course, our attitude towards the Franco-Belgian adventure in the Ruhr, a subject which is dealt with elsewhere in this number. Various sections of popular opinion look upon the guarded neutrality the Government has hitherto observed with enthusiasm, apathy, vague mistrust or indignation. There is certainly less enthusiasm than indignation. The most prevalent sentiment is perhaps that of vague mistrust, which the course of history in the Ruhr does not tend to limit or allay. Failing satisfaction from the Soviet Government in the matter of the British trawler seized by the Russians outside the three-mile limit, though within the twelve-mile limit within which Russia asserts sovereignty, there is some possibility of the Russian Trade Agreement being denounced and the British and Russian delegations to Moscow and London

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being withdrawn. Should the Patriarch Tikhon be added to the list of Russian martyrs there will be no doubt a considerable feeling in favour of the step. It would, however, be the equivalent of a rupture of diplomatic relations, and would become a very serious and stormy issue in this country. All Labour, Liberal, and not a little Conservative thought has throughout favoured the opposite plan of bringing British moral influence to bear by extending our recognition of Russia's *de facto* Government. "Hands off Russia" was a powerful cry three years ago, though the industrial districts were then less well acquainted with distinctions between Soviet theory and practice than they are to-day.

In Parliament itself the Government has had the unpleasant but not serious experience of a defeat. On April 10 a private member's attempt to secure special consideration for the initial rates of salary of temporary ex-service clerks taken permanently into the Civil Service drew from the spokesman of the Treasury Bench what the Opposition regarded as an unsatisfactory reply. On the customary motion that the Speaker leave the chair, in order that the House might pass into Committee of Supply, a division was challenged and the motion defeated. The effect was that the House, after the classic model, refused supply before redress. On the following day the Government, with its supporters now mustered at full strength, endeavoured to continue with its programme of business without reference to the defeat of the day before, which Ministers regarded as an accident without significance. A storm followed on the Labour benches, and in uproar, the singing of the Red Flag, and a scuffle on the floor of the House, the sitting was suspended. Next day the Government promised inquiry and report on the question originally raised, and calm was restored. A failure in the Whips' office and slackness of attendance on the Ministerial side were mainly responsible for a reverse of no permanent importance save that it did in part show what a tender

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spot ex-service interests form in the political conscience, and how warily economy must walk when approaching them. On a less delicate question the Government benches would perhaps have been more punctually filled. The Opposition had a simple and congenial task in "championing the rights" of the ex-service man.

Mr. Bonar Law and the Conservative Succession

Allowing for the demonstrations of feeling already noticed on questions directly bearing on the purse or comfort of the people, there is no evidence of any change, during the first six months of the new Government, in the fundamental balance of public opinion revealed by the General Election. For the present opinion rather waits on events in a future full of uncertain factors—the outcome of the Ruhr struggle and to a lesser degree of the Lausanne Conference, the extent of a revival in trade and employment, the alignment of the various Liberal and Conservative groups and, not least, the health of the Prime Minister himself. Mr. Bonar Law took the responsibility of leading his party out of the Coalition and into office on its own account only on the understanding that the state of his health might compel him to lay down the leadership before very long. He has able lieutenants in Lord Curzon and Mr. Stanley Baldwin, and Sir Douglas Hogg, the Attorney-General, has proved a valuable recruit. But the rest of his team, if competent, is on a different level of influence and capacity. The burden upon the Prime Minister has been unquestionably heavy. It is not unnatural that there should be speculation and to spare upon the question of a successor, should his physical strength be again overtaxed. Mr. Bonar Law himself is represented very credibly as desiring, in this event, a leader under whom the full reunion of the party and a reconstruction of the Government could take place. On paper it is clear that the re-entry of the Parliamentary and administrative talent and experience now excluded in the persons of Mr. Austen Chamberlain, Lord Balfour, Lord Birkenhead, Sir Robert

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Horne, Sir L. Worthington-Evans and others would greatly reinforce the Government. In practice there are stubborn personal difficulties in the way. Mr. Chamberlain's loyalty to Mr. Lloyd George at the time of the break-up of the Coalition does not endear him to the Die-hard section. He himself, like Lord Balfour, is still unconvinced that the Carlton Club decision was expedient. Lord Birkenhead has been eloquent, perhaps too eloquent, in bitter reproach of fellow-Conservatives. He has twitted them, Lord Salisbury and Lord Selborne in particular, as the "Dolly sisters of the movement," with reproducing the very failures and omissions for which they attacked the late Government. Sir Robert Horne, personally acceptable to either wing of his party, is agreeably employed in the City and in no hurry to return to office. The leadership either of Lord Curzon or Mr. Baldwin could hardly be expected to cast a reconciling spell at present upon the Chamberlainite Unionists. The hopes of some people rest on the Duke of Devonshire as a Campbell-Bannerman for the party.

Meanwhile the Government goes on. Whatever discussion has been based upon Mr. Bonar Law's health is still only speculative, though he has unfortunately just been compelled to take a sea-voyage for the recovery of his voice. Finally, if reconstruction of the Government on any considerable scale is to come, it must come before the end of July, after which, during the life of the present Parliament, Ministerial changes cease to be immune from by-elections. That does not leave much time for the accommodation of points of view.

If personal feeling has retarded the reconciliation of Conservatives, it has made the movements for Liberal reunion almost comically ineffectual. Mr. Lloyd George has come out definitely for reunion, and each successive speech of his is a more robust declaration of Radical faith. The cry of the Liberal Party in the constituencies for reunion is frantic. The air is thick with invitations to joint lunches, joint platforms, for Mr. Asquith and Mr.

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Lloyd George. Mr. Lloyd George habitually accepts, Mr. Asquith habitually refuses them. Mr. Asquith rejects the dramatic in his view of reconciliation. He points austere to the division lobbies as the workshop in which Liberalism must be re-welded. Mr. Lloyd George does not apologise for his past. But the Old Guard of Liberals regard him and his colleagues as the ghost of Elah might have regarded the ghost of Zimri. Such sincere distrust has Mr. Lloyd George earned among them by his share in the Coalition that it is perhaps to be doubted whether the reunion of the party is practicable while Mr. Asquith retains the leadership or whether it will be accomplished in any case without the loss of some of its more advanced spirits to Labour. Mr. Lloyd George's own following has a right and a left wing, the right stressing its willingness to co-operate with Conservatism, the left laying emphasis upon the need for the re-integration of Liberalism. Mr. Winston Churchill, breaking silence for the first time since his Dundee defeat, has described the divisions of the non-socialist parties as amounting to a conspiracy to put Mr. Ramsay MacDonald in power.

The Budget

Sir Robert Horne balanced his Budget for 1922-3 at something over £910 million. His calculations included the suspension of the sinking funds and the reduction of the standard rate of income tax from 6s. to 5s. in the pound. By the end of the financial year, however, his successor was able to point to a realised surplus of £101,000,000—£97,500,000 out of economies on the expenditure side and over £3,000,000 out of excess on the revenue side. Debt redemption, for which Parliament's authority to borrow had been obtained but not exercised, accounted for a further sum of over £20,000,000, making the real surplus on the 1922-3 Budget over £126,000,000, all of which has been applied to the extinction of debt. Sir Robert Horne's plan of raiding the sinking funds was

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thus frustrated by his own timely economies and an increase in the revenue. Put another way, it can be said that the taxpayer was taxed to the extent of £126,000,000 beyond the intention of the Government last year.

In budgeting for the current year, Mr. Baldwin has counted upon a surplus sufficient to justify a further remission of income tax from 5s. to 4s. 6d. standard rate; a reduction of the corporation tax from 1s. to 6d. in the pound; a reduction of the beer duty by a penny a pint, to the cost of which the Trade is required to contribute one-sixth; the abolition of the duty on cider and reduction of the duty on table waters; and some concessions in postal and telephone tariffs. He provides for a sinking fund of £40,000,000 — rising to £45,000,000 next year and £50,000,000 thereafter. On that basis he budgets for a revenue of £818,500,000 and an expenditure of £816,616,000, leaving a surplus of £1,884,000. This expenditure figure is nearly £3,000,000 in excess of the actual expenditure last year, and includes an increase of £11,000,000 in the defence estimates, but economies are promised.

Many would have liked to see a further reduction of the sugar duty. Mr. Baldwin has explained that the only effect of this at present would be to put the money in the pocket of the foreign producer. The main controversy, about a Budget which has raised little controversy altogether, concerns Mr. Baldwin's policy of debt reduction. In view of the amount of debt which has been paid off in the past four years and the particularly large sum which the taxpayer was induced unwittingly to redeem in the past year, the view of a considerable section of the business world is that for the present tax reduction should, within reason, take precedence of debt reduction. In view of the present state of trade and employment, and the restriction imposed upon industry by the maintenance of taxation on a high scale, the immediate interest of the Treasury, according to this argument, should be rather to enlarge the country's revenue capacity than to pay off its debt. On

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the other hand, Mr. Baldwin's plan is warmly approved by orthodox financial opinion, and has the general blessing of the City. It is argued in support of it that the national credit should be our first concern as international traders, and that credit would be injured by a suspension of the sinking funds; that debt repaid returns at once to industrial investment; that the interest on the debt amounts already to more than 40 per cent. and will before long constitute 50 per cent. of our annual expenditure; that unless the lines of a bold redemption policy are laid down now, as they have been by Mr. Baldwin, the debt will become unmanageable; and that the alternative to a high sinking fund will be a capital levy. Force will be given to the arguments of those who urge such a levy or inflation unless it is clear that adequate measures to reduce the debt will be systematically and regularly taken. Apart from this discussion of principle, nothing in this year's Budget calls specially for comment. Its passage, in spite of Opposition pressure for a nearer approach to the "free breakfast table," will be reasonably smooth.

A novelty in British fiscal practice is suggested in the tax on betting, into the desirability of which a Special Committee is now inquiring. Mr. Baldwin confesses himself attracted by the idea. It seems, however, to involve State recognition of the bookmaker. That prospect has already put the "Nonconformist conscience" on its guard. From other points of view doubts are expressed of its practicability under our betting conditions, and fears that gambling, "made respectable," will increase to an inexpedient degree. Estimates of the return of such a tax to the Exchequer vary enormously, and none seem trustworthy. The Committee's report is awaited with interest.

The unemployment barometer shows some improvement in trade. On April 23 the register showed 1,234,900 wholly unemployed, a decrease of 4,625 from the previous week, and of 250,978 from January 1. Several strikes, some of which are referred to in the next section of this article,

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have disturbed the industrial calm. The most serious was the Norfolk farm labourers' strike, which lasted several weeks, against a reduction of wages. The fact that both parties were equally in the grip of conditions beyond their control made it a pitiful dispute. The collapse of prices has borne heavily upon agriculture. The Government has undertaken to act upon several of the ameliorative proposals submitted by the Agricultural Tribunal which it appointed to make inquiry. The strike was brought to an end eventually by the mediation of Mr. Ramsay MacDonald. His intervention also averted at the last hour a national lock-out in the building trade, which would have been especially disastrous in view of the housing shortage, and secured reference of the issues to arbitration. This double achievement has considerably added to the prestige of the Labour leader and of his party. Trade union jealousies caused a short strike in the Rhondda Valley; the refusal of the Boilermakers to honour an agreement negotiated by the Federation of which they are part has led to their being locked out; and the competitive claims of the National Union of Railwaymen and the craft unions to "organise" the railway shopmen are complicating wage negotiations with the railway companies. The Miners' Federation, having failed to secure from the mine-owners an adjustment of conditions, will shortly consider the denouncing of the profit-sharing agreement which ended the last strike. On the other hand, under the artificial stimulus of the Ruhr occupation, the weekly coal output has risen as high as 5,800,000 tons, prices have increased, and the mine-workers will in due course reap their share of this advantage, temporary though it may be.

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II. UNEMPLOYMENT AND SOME REMEDIES

I

WHEN Mr. Snowden's motion condemning capitalism was debated, on March 21, in the House of Commons, the principal count in the indictment was "failure to provide the necessary standard of life for vast numbers of the population." Throughout the debate, indeed, Labour speakers agreed in finding the measure of the failure of individual enterprise in the unemployment figures to-day, and in interpreting that finding into a verdict for State Socialism. There is, of course, an obvious danger in this sort of reasoning. It does not follow that the failure of one system implies the success of another, and that with "public ownership and democratic control" of industry unemployment would disappear. Such reasoning ignores the disorganisation of Europe, which is the chief cause of our troubles, and which would operate at least as potently with Socialism as it does to-day with individual enterprise.

A failure in diagnosis is especially dangerous, because it nearly always leads to the selection of a wrong remedy. That in some quarters not only the cause but also the cure for unemployment is misunderstood is exemplified in two of the most recent trade disputes, those in which the building operatives and the National Union of Railwaymen are concerned.

The building dispute, submitted by the good sense of both sides to arbitration, while it has become largely a controversy over the interpretation of the National Wages and Conditions Council Agreement of 1920, arose out of the employers' demand for an extension of the hours of work and a further reduction in rates of wages. Building is not affected to quite the same extent as are other industries by the vicissitudes of trade and the stern pressure

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of competition. Man will always require a roof over his head, and modern ingenuity has not yet enabled a house in Birmingham to be built in Germany or the United States. But though neither foreign competition at home nor the necessity to compete in foreign markets can be pleaded in defence of a reduction in the wages of building operatives, it is desirable for two reasons that movements in their wages should roughly approximate to movements in the wages of other trades. In the first place, while houses are expensive sufficient houses will not be built; and in the second place, by keeping up the cost of construction the building operative (among others) is profiting at the expense of his less fortunate fellow-workers, whose wages, in many cases, have been reduced nearly to pre-war level, but whose cost of living remains considerably above it.

The dispute with the National Union of Railwaymen is somewhat similar in character. The wages of men working in railway shops are not regulated on a sliding scale basis, as are those of men working actually on railways. Consequently every alteration in rates must be negotiated on its merits. The companies are now demanding and the Union is refusing the withdrawal of 6s. 6d. of the war bonus. Here again there appears to be some justification for the employers' action. It is anomalous that the wages of men in railway shops should be greatly in excess of those of men doing the same work in contract shops, merely because the latter are subject to keen competition and the former are not. Yet while all agree that lower railway rates will greatly assist a revival of industry and a consequent increase in employment, rates cannot well be lowered unless working expenses are reduced.

The truth is that wages in what may be termed necessary trades of a less competitive kind have not come down to anything like the same extent as in industries which are exposed to the full blast of competition. In some of these only a nucleus of workpeople is being employed to-day, and to these what is barely a living wage is being paid;

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this is largely due to the fact that in other industries wages are disproportionately high, and the cost of production throughout the country is in consequence being kept up. It is, of course, both unpleasant and undesirable to reduce wages ; but reductions must be made if they are a necessary condition of trade revival. That vast bodies of workpeople during the last twelve months have submitted without a stoppage to drastic "cuts" in their rates is a remarkable tribute to their good sense, and is one of the most hopeful signs in industry to-day. It would perhaps be still more remarkable were there no exceptions.

But just as it is unfair to lay the blame for the existing unemployment on individual enterprise, it would be equally unreasonable to expect to find in wage reductions a sovereign cure for our troubles. The causes of unemployment are contained primarily in the condition of Europe. In 1913 the Continental market absorbed considerably more than half the exports of the United Kingdom. How complete has been the collapse of this market is illustrated by some percentage figures recently published.* In these the value of our pre-war exports is taken as 100, and those for 1920 and 1921 are converted into 1913 values by means of the Official Wholesale Prices Index numbers, with the following result :—

Country			1913	1920	1921
Belgium..	..	..	100	48	59·1
France ..	..	..	100	65	86·85
Italy ..	..	..	100	50	43·4
Holland ..	..	..	100	20	22·6
Sweden ..	..	..	100	82·35	50·4
Germany ..	..	..	100	54·8	44

The loss of purchasing power disclosed by these figures is the world's problem to-day. It is beyond the power of any single Government to set it right, and it is unfair to condemn any single Government for its failure to open

* *Our Unemployment Problem.* R. B. Crewdson. (The Economic Publishing Co.)

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with one key a door with many different locks. Here at least much has been attempted in order to revive demand. Export credit arrangements (such as the Ter Meulen scheme) have been tried, and grants of different kinds have been made for capital undertakings under the Unemployment (Relief Works) Act of 1920 and the Trade Facilities Act of 1921. Indeed, it is doubtful whether very much more can usefully be done in this direction, and there are certain obvious dangers in trying (to use a colloquialism) "to lift ourselves by our boot-straps."

A clear distinction, however, must be drawn between remedy and relief. The remedy, of course, lies in the revival of our old markets or the creation of new ones. But pending this consummation, it is our duty, apart from humanitarian reasons, to keep our labour resources from becoming so impaired by privation that they are unserviceable when better times come. When the provisions for relief are criticised their extent is sometimes overlooked. It is a true, if it is a poor, compliment to point out that our organisation for dealing with unemployment has never been so scientific or so comprehensive as it is to-day; and it is almost universally accepted that, so long as we have any resources at all, no man who is willing to work shall be allowed to starve.

The main burden of relief, of course, has fallen upon the Unemployment Insurance Fund, the present bankruptcy of which has led many critics to a condemnation of it both unfair and premature. The original Act of 1911 only applied to certain selected industries, and while these were increased in 1916 to cover munition workers, it was not until August, 1920, shortly before the trade depression began, that the great bulk of industrial workpeople were included in the scheme. Then came the "slump," and incoming payments dropped as steadily as the outgoings rose. In fact, the full scheme had barely been in operation a year when it was required to face a period of the most prolonged and acute unemployment within living memory.

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While the Act was based on an average unemployment figure of 4 per cent., the percentage has risen as high as 23 per cent. (June, 1921), and even in March of this year, when trade was showing signs of recovery, it still stood at 11.1 per cent.*

Moreover, the month after the Act of 1920 became law, its actuarial basis was undermined by the Unemployment Insurance (Temporary Provisions) Act, which relaxed the conditions of benefit to certain classes; while further amending Acts in 1921, 1922 and 1923 have temporarily increased the rates of benefit, extended it to dependents, and created certain special periods, not contemplated by the original measure, during which benefit is payable.

The scheme, therefore, never having been in normal operation, cannot be held to have had a fair trial. Its present bankruptcy may justly be attributed to conditions of trade so abnormal that no measure, however sound, could well be expected to survive intact, and to departures from its actuarial basis which, justified as they doubtless were, have proved fatal to its financial success.†

There is no reason why the insurance fund, if relieved of its extra-actuarial burdens, should not recover its footing; it will surely do so if a few years of comparatively good trade should follow the "slump" and enable liabilities to be repaid and fresh reserves to be accumulated.

The experience of the last two years indicates the desirability of all relief not strictly covered by insurance being undertaken by the Poor Law authorities, who have at present to bridge the gaps between the "periods" of relief. This work, it is true, would be carried out more economically if there were better co-ordination between the

* *Ministry of Labour Gazette*, April, 1923.

† For the year ending March 31, 1922, payments amounting to 67½ million pounds were made out of the Fund. Of this sum, 25½ millions represented contributions from employers and workpeople, £6,181,000 the State's contribution, 22 millions came from accumulated reserves, and 14 millions were lent by the Treasury on the security of future contributions. This last amount represents the deficit at March 31, 1922.

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different bodies, and if some uniformity of policy were observed by Boards of Guardians in different parts of the country. Possibly too much financial responsibility is at present thrown upon local authorities, with the result that in districts where unemployment is worst the burden upon the ratepayers is becoming almost insupportable, and a revival of industry in such districts is thereby impeded.

In spite of much hostile criticism, however, the arrangements for the relief of unemployment can afford to be judged by their results. That they have on the whole succeeded in their task is suggested by a private investigation, undertaken by a number of prominent men, the results of which have recently been presented to the public :*

The worst effects of trade depression, sheer physical privation and physical deterioration, seem to have been prevented in the present depression. There is much real suffering affecting classes that were less affected in pre-war depressions. That there is strain is certain, and a recovery of trade may reveal a loss of industrial quality . . . but at present the signs of demoralisation are not apparent. The great discovery that has been made is that a system of allowances by which the worst effects of distress are prevented does not necessarily involve widespread demoralisation.

II

While in some quarters there is a disposition to attribute the persistence of acute unemployment to the faults of capitalism, in others attention is turned to the possibility of finding in emigration some relief for our congested labour market.

Emigration, after all, is Nature's remedy for hard times. In the Book of Genesis we read that Abraham and Lot parted company because their establishments had become too numerous for the land, and the extent to which economic causes lie at the root of all great movements of population has been explained in a previous number of this review.†

* *The Third Winter of Unemployment.* (P. S. King and Son.)

† THE ROUND TABLE, No. 42, March, 1921, p. 252.

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During the ten years which preceded the war, migration from this country varied from about 250,000 to 400,000 persons a year. During the war it stopped, and with it the relief which it had afforded to our labour market. What our population lost in casualties it more than made up through the total cessation of emigration during five years; and between 1911 and 1921 there was an increase of 780,000 in our male industrial population alone. During the war the annual reinforcement of youths arriving at an employable age was easily absorbed. The greater part went at the time into the engineering and shipbuilding trades, where the demand for labour was greatest: and it is significant that during the last two years unemployment has been particularly acute in those industries. It is at least reasonable to surmise that the suspension of emigration during the war has been a contributory cause, affecting some trades more than others, of the unemployment to-day; and it is therefore relevant to examine the possibilities of expanding the outlet which emigration affords to our labour market.

These possibilities are practically confined to the United States and the British Dominions.

The manner in which, after 1890, the new immigration from the South and East of Europe began to take the place of the old stream from the British Islands, Germany and Scandinavia, into the United States, and the alarm to which the change gave rise on account of the difficulty of assimilation, have already been described in this review.* To-day the problem has become more pressing, for in Europe adversity is compelling peoples to look for an outlet. In 1922, in spite of the cost of the journey and the adverse exchange, the immigration figures for the United States rose to 805,228, and those who had come were understood to be but the advance guard of an immeasurable army which was only awaiting an opportunity to follow.

The result was the Per Centum Limit Act of May, 1921.

* THE ROUND TABLE, No. 42, March, 1921, p. 247.

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By this measure the number of aliens of any nationality who may be admitted in any fiscal year is limited to 3 per cent. of the number of foreign-born persons of such nationality who were resident in the States in 1910. Thus every nation was given a quota which it might not exceed. The Commissioner-General for Immigration attributes mainly to the establishment of this quota the fall in the number of immigrants from 805,228 in 1921 to 309,556 in 1922.

While, however, the Per Centum Limit Act has undoubtedly diminished the volume of immigration, it has not, in the opinion of a great many people, diminished it sufficiently, nor does it ensure a satisfactory type of immigrant. On the one hand, Labour inquired with some reason why, at a time when unemployment was particularly bad in the States, immigration on a large scale should be permitted at all. And, on the other hand, it was found that while the United Kingdom and Germany only utilised 55 per cent. and 28 per cent. respectively of their quotas, nearly all the southern and south-eastern countries of Europe had exhausted theirs before the end of the year. A proposal, therefore, is now before Congress to amend the Act, to fix the percentage admissible at 2 per cent. instead of 3 per cent., and to take 1890 instead of 1910 as the test year. Such an alteration, while reducing all the quotas, would, of course, especially affect central and south-eastern Europe, since by 1890 the real invasion from those parts had not begun. It appears doubtful, however, whether in view of the recovery of trade in the States, the disappearance of unemployment and the revived demand for labour, this amendment will ever become law. But at least it is a significant sign of the times.

Assuming that the figure remains at 3 per cent. and the year at 1910, the United Kingdom will have the right to a human export of 77,342 in any one year. When it is remembered that the number of unemployed at the end of March was 1,184,400, the possible relief from this

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source is not impressive. It is something, but it is not much.

Apart, however, from the quota restriction, there is another obstacle to emigration from this country to the States. If their political need is for the Northern European, their economic need is for the cheap, unskilled labour of the Centre and South. Such work, moreover, long ago became the monopoly of the "new immigrant," and it is doubtful whether the Anglo-Saxon immigrant would do it.*

III

There remain the Dominions. From their point of view the urgent problem is population. They have always maintained, and it is impossible to challenge either the wisdom or fairness of their claim, that each Dominion has the right to settle the future composition of its people, to admit or to reject whom it pleases, and when it pleases. In Australia and New Zealand, at any rate, this claim is the most important fact in political life, and commands a unity of opinion displayed on no other issue. It is as inaccurate as it is insulting to describe such a policy as proceeding purely from racial prejudice. On the contrary, it is rooted in a wise instinct that only by controlling immigration with the utmost care can the character of their polity be maintained. Cheap, unskilled labour, whether native or foreign, Asiatic or European, produces problems with which the United States and South Africa are only too familiar, and which Canada and Australasia are determined to avoid. They cannot afford an inrush of settlers too numerous to be absorbed and too backward to be educated. And in taking this stand they are justified; for while perhaps it would be going too far to predict that the higher culture would be swallowed up by the lower, it is certain that the general standard of living would deteriorate, that the less skilled tasks of labour would cease to be per-

* THE ROUND TABLE, No. 42, March, 1921, p. 257.

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formed by the Anglo-Saxon, that the level of political intelligence would be lowered, and that the democratic ideals to which the Dominions are committed would become tainted by race distinctions.

When the experience of the United States is recalled it is easy to sympathise with the resolution of the Dominions not to allow their slenderer numbers to be exposed to these perils.

Besides stating their position, however, they are facing the other side of the question. The empty places of the world, the greater part of which are contained in the British Commonwealth, have never borne so high a value as they do to-day. So long as they lie undeveloped, and even unoccupied, the world must regard us as absentee landlords, owners of a property which for many years to come we shall be unable to use ourselves, and to which at the same time we are chary of admitting others. Before the war the Dominions realised that if they were going to make good their claim to their own undeveloped territories they must find a population for them ; and as their own natural rate of increase is insufficient for this purpose, the conviction is growing that only by the adoption of a systematic policy of Empire settlement can the future of their communities be protected.

The Empire Settlement Act of 1922 is the attempt on the part of the Home Government to meet this conviction. This Act empowers the Secretary of State for the Colonies to co-operate with Dominion or State Governments in schemes for assisting "suitable persons in the United Kingdom who intend to settle in any part of His Majesty's Oversea Dominions." Such schemes may be either development or land settlement schemes, or may take the form of advancing the cost of passages or of training either in this country or in a Dominion. The British Treasury's contribution must not exceed half the total cost of any scheme, and the amount available was limited to £1,500,000 in 1922 and £3,000,000 in any subsequent year.

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This Act is of great importance ; it marks the beginning of a scientific policy of Empire Settlement, and it should at least assure that the majority of suitable settlers leaving these shores will stay within the boundaries of the Commonwealth.

The important word, of course, is "suitable." The Dominions are the sole judges of the suitability of an immigrant, and it is only necessary to examine a few of the schemes already initiated in order to discern their interpretation.

Shortly after the Act became law Passage Agreements were completed with the Commonwealth of Australia and the Government of New Zealand. These were designed to assist the passage of suitable persons (men, women and children) ; and the Commonwealth Government has since made it clear that in their view "suitable" adults are women or men between the ages of eighteen and thirty-five who are ready to work on the land.

Agreements are also in operation with the Province of Ontario for the assisted migration of 2,000 single men for farm work and 2,000 single women for domestic service ; with West Australia for the settlement within a period of three years of 75,000 emigrants from the United Kingdom on the land ; and with Victoria for the ultimate settlement of 10,000 persons on farms.

There are several other similar arrangements, either in negotiation or completed early this year, some of them taking the form of assisting organisations like the Salvation Army or the Child Emigration Society to train boys and girls for farm life.

Of still greater importance is the Canadian Government's projected scheme. Six hundred thousand dollars has been set aside in the Canadian estimates ; it is proposed to allot one-third of this sum for the emigration of children by approved societies or organisations, one-third for assisting the passages of domestic servants, and one-third for assisting the passages of dependents of British settlers already in Canada.

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The terms of these arrangements make perfectly clear the kind of immigrant the Dominions can take, and the way in which they wish him to come. They do not want, and cannot take, large numbers of our industrial unemployed. To find for such men the kind of work to which they are accustomed would be nearly as difficult in the Dominions as it is in this country, and though townsmen have surprisingly often "made good" on the land in the Dominions, the number of factory workers over a certain age who could be turned into satisfactory farmers must be limited.

Settlement must in any case be gradual and carefully regulated, so that settlers do not arrive in numbers beyond the Dominions' powers of absorption.

IV

There is clearly a limit to the extent to which our labour market may be relieved and our unemployment figures lowered by emigration. We have seen that the number of emigrants from this country to the United States in any year is at present fixed by quota, and that for those who go there is the racial objection to their undertaking unskilled work. We have also seen that emigration to the Dominions is largely confined to certain specified classes not covered by our industrial unemployed, and that while such emigration will exercise a useful check on population in the future, it is unlikely to afford much immediate relief. The able-bodied artisan, of course, is going, and in small numbers will continue to go; by his departure he either acquits his country of the task of maintaining him, or else vacates a job which can presumably be filled by another man hitherto unemployed. To this extent he ceases to be a liability and becomes an asset, since he becomes a producer whereas before he was either a consumer only or was doing work for lack of which someone else was a consumer only.

United Kingdom

But while the openings for such men are very limited, there is another aspect of Empire Settlement which has an important bearing on unemployment.

It may be assumed that a considerable period must elapse before Europe can regain her former purchasing power, and that, until she does, a great portion of our pre-war trade with the Continent must be written off. But if our old customers are lost to us, certainly for many years, possibly for ever, new customers must be found to take their place. The following figures, taken from the 1922 Report of the Overseas Settlement Committee, point to where such a substitute may most profitably be sought and will most probably be found :—

Country	White population	Exports of United Kingdom			
		Total value £	Value per head of white population £ s. d.		
Australia ..	5,436,794	45,636,741	8	7	1
Canada ..	8,943,340	19,458,990	2	3	6
Newfoundland	263,683	330,660	1	5	1
New Zealand	1,239,980	14,889,289	12	0	2
	<hr/>	<hr/>			
Total	15,883,797	80,315,680			
	<hr/>	<hr/>			
United States	94,820,915	43,988,648	0	9	3
Europe ..	426,900,000	217,828,242	0	10	2
France ..	39,209,766	44,259,945	1	2	7

These figures not only show the present, but indicate the potential, value of the Dominion markets. Obviously, as the population overseas increases, and as, concurrently with that increase, new industries arise and old industries are expanded, the value per head of purchases from the United Kingdom will diminish. Provided, however, that the standard of British workmanship is maintained, there is no reason why the Dominions should not continue to draw, as they do to-day, the bulk of their imports from within the Commonwealth.

To sum up, emigration is likely to prove more effective

Unemployment and Some Remedies

as a preventive of future than as a relief for present unemployment. In particular, a sound policy of Empire Settlement will bring certain solid advantages: to the Dominions a population of the kind they require, arriving at such times and in such ways as are best suited to their needs; to the United Kingdom a relief to its congested areas at home and the building up of new and valuable markets overseas; and to the Commonwealth a better proportioned distribution of its peoples over its territories.

CANADA

I. CURRENT POLITICS

ALTHOUGH the second session of the fourteenth Parliament of Canada has run more than half its normal course, the record of legislative or other accomplishment is to date very meagre. No measure of first rate importance has become law and the chief legislative enterprises of the session, the Redistribution Bill and the revised Bank Act, are still in the early stages of examination by special committees. There have also been introduced an anti-Combines Act, a pet project of the Prime Minister, and a small contingent of amending measures designed to improve the working of existing statutes. There have been no spectacular debates and no serious crises threatening the life of the Government, and although the duel between the Prime Minister and Mr. Arthur Meighen which has now enlivened four sessions was renewed at intervals, the temper of the duellists has been markedly milder. The general impression of observers has been that the *de facto* leader of the Government is the Finance Minister, Mr. Fielding. His long experience and keen eye for political strategy have made him an indispensable asset to a Ministry which has had an uncanny faculty for courting embarrassments, and the process of extrication has been generally committed to his skilful hands.

The session so far has been remarkable for the paucity of divisions and has been mainly consumed in academic debates on private members' resolutions and in the

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dissection of estimates. The real controversies will not emerge until four special committees bring their reports to the House. Two of these have been charged with the shaping of a Redistribution Bill and the new Bank Act, another is investigating the working of the Civil Service Reform Acts, and a fourth is conducting an exhaustive inquiry into the grievances and problems of agriculture. The Redistribution Bill will register a further stage in the shift in political power from the East to the West which has been in progress since the century began ; the number of members in the Commons will be increased from 235 to 245, and while the eastern provinces will lose two seats, the West will gain twelve. The Progressive party will profit by the increment in western seats, but their gains will be counterbalanced by new urban seats in Ontario and Quebec, the creation of which at the expense of rural constituencies is forced by the growth of Toronto and Montreal.

The Canadian Bank Act is subject to revision every ten years, and a bill embodying the main features of the old Act and a number of amendments was introduced and turned over to the mercies of the Banking and Commerce Committee. This Committee only began after the Easter recess to address itself seriously to its task, and the backward condition of its work may either prolong the session till July or induce the Government to delay the actual legislation for a year and offer the banks a temporary renewal of their charters. The Special Committee on Agricultural Conditions has unearthed a mass of interesting data about the country's agricultural and commercial life. It has revealed the disturbing fact that certain interests which have achieved control of strategic positions commanding the channels of marketing and distribution are in a position to reap inordinate profits at the expense both of the producer and consumer. There was little surprise at the revelation that freight rates on the North Atlantic are rigidly controlled by an omnipotent shipping combination,

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but it was a severe shock to the Canadian public to discover that their state-owned mercantile marine, instead of being used to checkmate the "Combine's" operations, was participating in its schemes. When it has been proved that Canadian ships are actually carrying from Canadian to British ports flour ground in American mills at a cheaper rate than Canadian flour, the time has obviously arrived for the different British Governments to give to the problem of shipping monopolies and combines and their effects upon inter-Imperial trade very serious consideration.

The Committee which is investigating the Civil Service system is the fruit of a movement of a retrograde character which should have been checked at an early stage. For forty years after confederation the patronage or "spoils" system was a staple ingredient of the national life. At its inception, as in the United States, it was hailed as a great democratic reform destined to save the country from the curse of a permanent bureaucracy. In the pioneer days it acted as a centripetal force by bringing the leaders of isolated communities into contact with the central Government and training them in administrative work; but it generated political corruption and bitterness, strengthened the power of the party "machines," and as the activities of the State began to expand proved incompatible with the administrative efficiency which the electorate demanded of their Governments. The Laurier Government began the process of reform in 1908 by the establishment of the Civil Service Commission, which was given control of the departments at Ottawa, and the idealist temper of the war years forced the Coalition Government of Sir Robert Borden to complete the work in 1918 and 1919, by bringing what is known as the outside service under the jurisdiction of the Commission. It would be idle to pretend that the party zealots of either stripe liked the change; they grumbled bitterly and predicted a variety of evils and disasters. It happened, however, that the Liberals had been the last victims of the patronage system; after the

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1911 election thousands of civil servants who had been found guilty of Liberal politics had been ruthlessly dismissed from their posts. In Quebec and the Maritime Provinces, where the purge had been particularly drastic and the desire for revenge had burnt deep in many bosoms, Liberal candidates in 1921 had blithely assured the electors that the abolition of patronage had only been one of the many monstrous follies of the Coalition Government, and that the fine old system of "spoils to the victors" would be restored as soon as a sane and intelligent Liberal administration was seated in power at Ottawa. But after this day dawned, the passing months brought no sign of the great restoration which would open the doors to the faithful. Angry deputations descended upon Ottawa, and Liberal members became afraid to visit their homes. When they explained that the Civil Service Reform Act barred any rewards for faithful partisanship, they were bidden to destroy the hated thing. Driven to despair they applied pressure upon the Government and the latter, in face of the opposition of most of the Conservatives and Progressives, secured authority for a parliamentary committee which was charged with the duty of examining the workings of the Civil Service Reform measures and the Civil Service Commission and suggesting improvements. The champions of patronage on the Committee have striven valiantly to reap the full fruits of their attack upon the new system, but happily the preponderance of the evidence given has been strongly commendatory of the reforms and hostile to the revival of patronage.

The longest and most important debate of the session concerned immigration, and upon this a wide diversity of opinion was revealed. The Government are prepared to embark upon a more vigorous policy and have increased their appropriations for propaganda and foreign agencies. Special efforts will be made to attract immigrants from Britain, where the co-operation of the Overseas Settlement Board has been secured, and from the Scandinavian

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countries ; the restrictions against the nationals of " enemy " countries have been removed. Prominent Liberal members, however, derided the Government's plan as utterly inadequate and calculated to secure only hundreds where thousands were needed. They argued that, with a debt steadily mounting and an enormous burden of overhead charges, the only hope of economic salvation for Canada lay in a rapid increase of population. Therefore, a more comprehensive policy ought to be pursued. On the other hand, a number of Western Progressives took an exactly opposite view, and contended that until agricultural conditions were improved it was criminal folly to spend public money in adding to the number of unfortunates who were now struggling to wrest a bare living from Canadian farms ; the first business of the Government in their view was to ensure a reasonable livelihood for farmers already on the land, and to check the southward exodus which was assuming such dangerous proportions. Mr. Forke, the Progressive leader, and other Western members, while admitting the need for remedial measures, reprobated such jeremiads and supported increased activity in immigration work on the ground that more population was urgently needed to fill up the vacant gaps in the West and make profitable use of institutions and physical machinery planned on too large a scale for the present population. But the two Labourites and several French-Canadians who represent urban constituencies protested against swamping the domestic labour market with a sudden flood of immigrants. It is also significant that the French-Canadian Press has shown itself singularly cold to all immigration schemes. However the money was duly voted and the Immigration Department reports a welcome increase in the number of immigrants now seeking entrance to Canada. At certain stages of the debate the real subject of discussion was the emigration problem, and some disturbing information was disclosed about the extent of the exodus to the United States, an exodus which is not

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confined to the West. It is not a new phenomenon in Canadian history, but it has lately been accentuated by the industrial and building boom which is gladdening American hearts and by the operation of the quota system established under the Dillingham law. This measure, while restricting the flow of European immigration, is inapplicable to Canada and has been draining her of hundreds of her best artisans. The exodus is viewed with general dismay ; but it will only be checked by the cessation of the boom in the United States and by the revival of agricultural prosperity in Canada. One of its results will be a scarcity of many kinds of labour in Canada this summer, and as a consequence more abundant openings for British workers who decide to emigrate here.

The estimates of the External Affairs Department and the discussion of the agenda of the approaching Imperial Conferences may provide opportunities for some exploration of the internal relations of the Commonwealth. So far this question has only been cursorily touched upon this session. Major C. G. Power, an Irish Catholic who served with distinction in the war and now represents Quebec South in the Liberal interest, raised the issue of Canada's attitude to the responsibilities involved in partnership in the British Commonwealth with a resolution which asked the House of Commons to declare :

That save in case of actual invasion the Dominion of Canada shall not be committed to participation in any war without the consent of the Parliament of Canada.

Unfortunately this motion was only reached late on the evening of the last day available for private members' resolutions. After Major Power had unburdened himself of his opinions in a long speech which bore evidence of a careful study of the literary output of Mr. J. S. Ewart, and after Mr. D'Anjou, the member for Rimouski, who holds extreme nationalist views, had re-echoed his sentiments in French, the debate was adjourned. Mr. Meighen, who

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was ready to speak, protested strongly against tactics which allowed only the presentation of one side of the case, but the Government had developed an aversion to the prolongation of the debate.

Major Power defended the attitude of the King Government during the Near Eastern Crisis of September, 1922, and contended that it was in complete consonance with the policies adopted by a long line of Canadian statesmen from Macdonald onwards. He demolished to his own satisfaction the moral, sentimental, and constitutional arguments in favour of Canada's automatic responsibility for British wars and repudiated the idea that Canada's mother-land was Great Britain, allocating that honour to France. Inevitably such provocative sentiments elicited severe strictures in the Conservative Press and failed to enlist much enthusiasm in the Progressive party. It happens that a considerable contingent of the Progressives are British-born, and the saw "*nemo potuit exuere patriam*" has not lost its force. They are not blind to some of their native land's defects, but they retain deep sympathies for it and are not prepared to hear it criticised in a spirit of selfish particularism. Other Progressive members, however, are deeply imbued with nationalist doctrines and strongly support the campaign which the *Manitoba Free Press* and Sir Clifford Sifton continue to conduct with great ability and vigour for the further relaxation of the existing bonds of partnership. Major Power predicted that the time was fast approaching when "every citizen of Canada will have to decide whether he is a Canadian or a Britisher first." If, when that issue emerges, the Progressive party is still in existence, it will face a hopeless internal cleavage.

Meanwhile, a process of erosion in the personnel of the Ministry has begun. Politicians soon cease to be enamoured of the practice of politics when it fails to provide them with an opportunity for the smooth and successful exercise of power; and since they came back, the Liberals have enjoyed

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all the responsibilities of office without many of its chief compensations. The older leaders, recalling the spacious days of the Laurier Government, are mournfully conscious that their party has in the last year cut a sorry figure. In Canada there is no lack of sheltered havens for jaded and disillusioned politicians. Mr. D. D. McKenzie, the Solicitor-General, has withdrawn to the Supreme Court of Nova Scotia ; there is an expectation that Dr. H. S. Beland will elect to fill a vacancy in Quebec's Senatorial quota. Mr. Fielding is ready to retire as soon as he accomplishes the passage of the Budget and the revision of the Bank Act ; and Sir Lomer Gouin and Mr. Graham, the Minister of Defence, may accompany him. Accordingly, the general forecast is that Mr. Mackenzie King must attempt a drastic reorganisation of his Cabinet, either before he proceeds to the Imperial Conference, or immediately after his return. Meanwhile he has strengthened its debating power by the inclusion of Mr. E. M. Macdonald, of Nova Scotia, who will sit without portfolio. Mr. Macdonald, a veteran politician, belongs to the right wing of the Liberal party, and his promotion is taken to mark a decision of the Prime Minister to renounce all hopes of alliance with the Progressives. His difficulties have also been recently accentuated by one of those curious feuds which by their recurrence refute the common belief that the Roman Catholic Church in Canada enjoys a homogeneous solidarity unknown to the Protestant creeds. The office of Deputy Postmaster-General is vacant, and Mr. Charles Murphy, the able Irish Catholic who is Postmaster-General, has aroused the deep resentment of the French-Canadians by refusing to appoint to it a former secretary of Sir Wilfrid Laurier, and publishing his reasons for the decision.

Mr. King's critics have with some justice attacked him for lack of enterprise, imagination and leadership in his administration of the national business. The fact is, while Mr. King uses at times the vocabulary of his grandsire who was an active revolutionary, he is in practice the possessor of

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a conciliatory temper. He had, his critics suggest, assigned for himself the destiny of healing the divisions of a distracted country by an oratorical drenching with the spirit of peace, goodwill and toleration. When an old friend once complained to Laurier that no political education in Liberal ideas was being conducted, and that a dose of radical propaganda was necessary to stave off a Conservative reaction, the Liberal leader replied :

Go out and start it and you will have my blessing. But it is not my job. I am a conciliator. My work is to keep the two races together and permit their co-operation in the material development which must be the foundation of a decent culture and social civilisation. I cannot combine this rôle with that of a radical reformer.

But Laurier lived and ruled in an epoch when Canada was enjoying overflowing prosperity, and it has been Mr. King's fortune to come to power in different times. He faces abnormal post-war economic conditions and a people weighed down with heavy burdens and anxious about their future. They are obviously not to be satisfied with rhetorical lubrication, but are craving for definite remedies for certain ills which they think are capable of domestic cure.

The Liberal platform of 1919, designed to stave off the advent of a new insurgent party in the West, is of a decidedly radical character, and during his election campaign Mr. King scattered promises of reform with a very lavish hand. He pledged himself to economise, to reduce taxation, to cut down the tariff, to give a cash bonus to the veterans, to introduce a variety of social reforms, and to dissolve an unholy combination of political autocracy and industrial plutocracy which was afflicting the country with its despotism. The golden age of Laurier was to return as soon as the Liberals regained power. What Mr. King might have done if the West had put trust in his promise and sent him a strong contingent of supporters of a radical cast of mind, who would have given him a clear majority, is a subject for speculation ; but he found himself back at

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Ottawa without a clear majority, and with a body of followers mainly drawn from the most conservative region of Canada. The right wing of the Liberal party completely dominated the situation, and the frank repudiation of many items of the 1919 platform made by many Liberal leaders in Quebec during the campaign soon became a settled fact. The great majority of the Progressives are completely disillusioned about the quality of the Government's Liberalism and prospects of any alliance or even co-operation between the two parties have vanished. Mr. King could only have won them by courageous leadership, and by taking great risks with his own career. But he was not cast for any aggressive or heroic part, and by preferring a rôle of negation he finds himself stranded with a reactionary party and bereft of the confidence of the sincerely Liberal forces of Canada.

Since the year began the Government has tested its fate at two by-elections, and from the result of neither can a grain of comfort be obtained. Its majority in North Essex (Ont.), a traditionally Liberal seat, was cut down from 7,195 to 1,087, and it failed by 1,500-odd votes to capture from the Progressives the Moose Jaw division of Saskatchewan, where, with an experienced candidate and electorate fifty per cent. urban, its chances were reckoned good. The result in Moose Jaw spells an end of all hopes of Liberal revival in the Western provinces, and one significant feature of the contest was a working alliance which developed between the Progressives and the Conservatives for the occasion.

The Conservative party has not yet recovered from the overwhelming disaster which befell it in 1921; but it derived some comforting encouragement from substantial gains in a recent provincial election in Quebec, and hopes to recapture the government of Ontario, where internal dissensions among Mr. Drury's followers have forced an appeal to the country. At least four, and possibly five, groups will have candidates in the field, and the Conservatives expect to wrest a majority out of the confusion. In

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federal politics their chief asset is their leader, Mr. Meighen, whose supremacy in Parliament is unchallenged. His courage, his skill as a debater, and his thorough grasp of the practical problems which are the staple of Dominion politics, win for him a personal admiration from many Canadians who are not prepared to extend it to his party. He has probably passed the nadir of his fortunes, but before he can hope for office he must either win the forgiveness of Quebec or capture the affections of the West. Mr. Meighen gives evidence of a decided bent in the latter direction, but powerful influences in his party are convinced that the natural Conservatism of Quebec must sooner or later be enlisted to defend the cause of fiscal stability from the onslaught of the West. The real hope of the Conservative party is that the forthcoming Imperial Conference will provide them with an issue for the reconstruction of their fortunes.

The Progressive party acquired last autumn a new leader in Mr. Robert Forke, a Scot who has farmed for forty years in Manitoba. Entering politics in 1921 at the age of 62, Mr. Forke lacks the background and training which make for real political success, but he is shrewd and honest minded and has sailed the Progressive bark on an even keel. Yet his party at Ottawa, its critics say, bids fair to suffer the fate of Hannibal's army in Capua. Most of them are hard-working farmers, who but for their election would have spent the last three months in performing the ordinary round of farming tasks and facing the grim blasts of the rural winter. It is said that the abundant comforts of Parliament Hill at Ottawa, where members enjoy conveniences and luxuries unknown to the denizens of Westminster, have bred in many Progressives an indifference which has impaired their efficiency; that they avoid the Parliamentary Library; that they will not study bluebooks, Hansards, and reports; that they will not qualify themselves to be efficient parliamentarians and good public servants; that they think it enough to act as office boys for their con-

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stituents and be free to enjoy what is for many of them a sybaritic existence; that the day of reckoning with irate electors will come, but in the meantime the party morale is suffering, and only resolute leadership can repair it. The controversy about "broadening out" which was described in the December number of *THE ROUND TABLE** still persists, and has been the main factor in forcing Mr. Drury to dissolve the Ontario House. He has announced that he is prepared to co-operate with other groups, but the *Farmer's Sun*, the organ of the strict sect of simon-pure agrarians, advises the farmers only to support candidates who will abjure all contact with the hosts of Midian as represented by the old parties. At its annual meeting held this month, the Canadian Council of Agriculture took the significant step of announcing that it would withdraw from active politics and would henceforth confine its activities to educational work and the investigation of economic and social problems. The suspicion prevails that Mr. H. W. Wood, of Alberta, and other agrarian leaders, have noted the unfavourable comparison between the record of the Progressive party at Ottawa and the abundant accomplishments of the farm *bloc* at Washington, and are planning a change of tactics which may in due course produce in Canada a replica of the successful political experiment of the American farmers.

The sum of the existing situation in Canada is that political conditions are still distressingly unsatisfactory for all parties. For the leaders scanning the electoral horizon there is the same complete lack of visibility which Mr. Austen Chamberlain lately noted as a new feature of British politics. The voter is alarmingly independent and, although deeply interested in all public questions and thirsty for information, he is profoundly distrustful and suspicious. The party lines are shadowy and uncertain, and as a corollary the party chieftains are confused and hesitant.

* *THE ROUND TABLE*, No. 49, December 1922, p. 172.

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The underlying fundamental vice of Canadian politics to-day is that the game is played at a level markedly below the intelligence and public spirit of the main body of the electorate. The problems now confronting the Canadian people and their leaders are highly complicated, but none of them are comparable in difficulty to the problems which Britain faces in the European imbroglio and her tribes of unemployed, and the solution of the majority is largely a matter of careful planning and efficient administration. What is lacking is not intellectual capacity to devise the solutions or political ability to carry them out, but a deplorable want of faith in the willingness of the electorate to support bold and imaginative courses of action. If Canada could secure a Government which brought vigour and imagination to play upon the national problems, many of the issues which now seem complex would grow simple and more than half her troubles would vanish. Since the war ended Canada has been beseeching her political leaders for bread, but she has been proffered little else but stones.

II. THE HALIBUT TREATY AND THE COMMONWEALTH

BASING the draft upon the report of an International Fisheries Commission appointed in 1917, in 1919 the Canadian Government, through His Majesty's ambassador at Washington, submitted to the United States Government a draft convention for the settlement of a number of fishery matters outstanding between the two countries. The negotiations hung fire until 1922, when, as there appeared to be no likelihood of the early conclusion of so wide a convention, the Canadian Government inquired through the same channel whether the United States Government would be prepared to conclude at an early date a convention limited to one of these matters, the preservation of the halibut fishery of the Northern Pacific ocean. The result of this inquiry was that in December last the

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United States Government advised the ambassador of its willingness to conclude such a convention "with His Majesty's Government," submitted a draft entitled, "Convention between the United States of America and Great Britain concerning halibut fishery," and expressed a desire to be informed of the views "of the British and Canadian Governments." Thereupon followed the correspondence which has been laid before the Canadian House of Commons and discussed throughout the Commonwealth. It may be well to summarise it here.

The Canadian Government advised the ambassador (January 16) that they desired the substitution of the words "The Dominion of Canada" for the words "Great Britain" in the title of the convention. When similarly informing the Secretary of State for the Colonies (January 16), they added: "To enable him to sign the treaty, so amended, on behalf of the Dominion at an early date the [Canadian] Government request that the Secretary of State for Foreign Affairs be informed that it is their desire that the necessary full powers be given to the Honourable Ernest Lapointe, K.C., B.A., LL.B. [Canadian] Minister of Marine and Fisheries." The ambassador replied (February 12): "Having regard to the fact that the treaty as signed will bear no title, its object being plainly expressed in the preamble of the document, I have, under instructions from His Majesty's Government, omitted from my note to Mr. Hughes . . . the substitution in the title." He also advised the Canadian Government (February 13) of his understanding that "in the signature of the treaty . . . the Canadian Minister of Marine will be with me," and (February 14) of an "inquiry made by the State Department [of the United States] whether Mr. Lapointe will sign treaty with me." The Colonial Secretary informed the Canadian Government (February 15) that full powers for the Canadian Minister (which appointed him His Majesty's plenipotentiary *simpliciter*) had been sent, and added that the Foreign Secretary suggested that the title should be:

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"Convention for the regulation of halibut fisheries on the Pacific coast of Canada and the United States"; to this the reply was sent (February 17) that the "modifications suggested [were] concurred in by the Canadian Government." The Canadian Government then (February 17) requested the ambassador to advise the State Department that "Mr. Lapointe will sign this treaty," and informed him (February 21) of their opinion "that, as respects Canada, signature of the treaty by Mr. Lapointe alone will be sufficient, and that it will not be necessary for you to sign as well"; to which the ambassador replied (February 23): "I have been instructed by His Majesty's Government to sign treaty in association with Mr. Lapointe." The Congressional session constitutionally ends on March 4, and the ambassador informed the Canadian Government (February 27) that the United States Government were "most anxious to sign. . . . March 1, in order to obtain ratification before the Senate rises"; on the same day he reported an inquiry from the State Department "whether I can sign the treaty to-morrow on behalf of Canada"; but he added: "I presume, however, it would be more satisfactory that Mr. Lapointe should sign with me." The Canadian Government then (February 28) informed both the Colonial Secretary and the ambassador that "the treaty, being one of concern solely to Canada and the United States, and not affecting, in any particular, any Imperial interest, signature on behalf of Canada by Mr. Lapointe . . . should be sufficient"; they added the statement that "evidently it has been assumed by His Majesty's Government that [the double signature] was the wish of the Canadian Government," but that as "they proceeded on [the] assumption [of the sufficiency of his signature alone] in asking for full powers for Mr. Lapointe . . . it was with some surprise that an intimation was received from Sir Auckland Geddes to the effect that he had been instructed by His Majesty's Government to sign the treaty in association with Mr. Lapointe"; and they "respectfully request that His

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Majesty's ambassador at Washington be instructed accordingly." The result was that the Colonial Secretary informed the Canadian Government (March 1) that their "wishes [were] being telegraphed to His Majesty's ambassador at Washington," and Mr. Lapointe alone signed the treaty (March 2) as His Majesty's plenipotentiary. The high contracting parties were "The United States of America," and "His Majesty the King" under his customary full style.

To complete the chronicle of events, it may be added that the convention was laid by Mr. Hughes before the President, by him transmitted to the Senate, and its ratification constitutionally advised and consented to by that body (March 4), as "a Convention between the United States and Great Britain"; and that the Senate's resolution was "subject to the understanding . . . that none of the nationals and inhabitants and vessels and boats of any other part of Great Britain shall engage in halibut fishery contrary to any of the provisions of this treaty." Mr. Hughes expressed to the ambassador (March 5) his Government's "hope that His Majesty's Government will accept the understanding"; and the ambassador, in a despatch inviting their observations, advised the Canadian Government (March 9) that as "the effect of this action on the part of the Senate is to widen the scope of the treaty so as to embrace the Empire as a whole, instead of Canada alone, to which it is understood the Dominion Government intended the treaty to refer," he had transmitted Mr. Hughes's note to the Foreign Secretary "in order to ascertain the views of His Majesty's Government in regard to this understanding."

Obviously no adequate analysis of the vital issues raised by these negotiations can be attempted in the space available here; all that can be done is to suggest one or two inferences and reflections. The terminology employed in the correspondence should be carefully examined for its implications. There seems to have been an abortive attempt by the Canadian Ministry to assert and exercise an entirely

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separate right of the Dominion of Canada to make treaties with a foreign Power. Whether the object was statesman-like, or the method candid, cannot now be discussed ; but the success of the design might have been viewed as committing not only every Canadian citizen, but all British subjects, to a political conception of the Commonwealth advocated in Canada by but a minor school of political thought. The interest of one partner of the Commonwealth in any international matter should give its views a weight commensurate with that interest ; there may even be cases in which its interest being exclusive, its views should be paramount. But this is no argument for impromptu diplomacy, as the halibut treaty shows ; and it can be ratified only on the constitutional advice of all those affected by it. The terminology of the United States authorities repudiates the conception of the Commonwealth initially propounded by the Canadian Ministry ; those with a truer and more acceptable one may be able to get it internationally understood and acknowledged.

The failure or unwillingness to recognise that the Britannic Commonwealth is *sui generis*, a unique product of historical circumstances, a political fellowship with a unique value, has resulted in much confusion. Other political societies have to suffer no such endless anatomical diagnosis and discussion as it endures. Energy which by them is concentrated on their public purposes, is dissipated by it in refuting its self-appointed physicians. While it seeks outlet for its ardent life and generous hope, some constitutional pathologist attempts to bind it to his Procrustean bed, assures himself it can rest nowhere else, and argues with it and his kind because it rejects his treatment. Because he cannot find in international law an existing category for a commonwealth of nations, he asserts its impossibility ; and fearing to invent an explanation, he falls back on an old one, because he is too vain "to venerate where he is not able presently to comprehend." Nearly a quarter of a century ago Maitland warned us that our ideas

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of Austinian sovereignty in a unicellular state were obsolete; and while these ideas have now been discarded for the Commonwealth as a whole, some who have been their fiercest opponents seem ready to apply them to its parts—to Balkanise the Commonwealth, while pretending not to discover its head. The diversity of the nations of the Commonwealth is as impossible to evade as that of their geography or climate; but their serviceableness to the world depends on their co-operation, and petty exacerbated nationalism is a reactionary conception. To find a method is the way of statesmanship. A Conference meets in October; if it contrives to make its functions continuous instead of spasmodic, time will complete the task; *que messieurs les premiers ministres commencent.*

Canada. April 20, 1923.

AUSTRALIA

I. FEDERAL POLITICS

THE General Election for the ninth Parliament of the Commonwealth, which was held on December 16 last, had most important and interesting consequences. It resulted in the defeat and downfall of one of the greatest and certainly the most picturesque of all Australia's Prime Ministers—Mr. Hughes. It resulted further in the emergence into political power, for the first time in the national government of a British Dominion, of a Country or Farmer's party.

The parallel frequently drawn between the fall of the Coalition Government led by Mr. Lloyd George and of the Nationalist Government led by Mr. Hughes is not without some justification. In both instances there was a popular revolt against the attempt of "the man who won the war" to carry on far into the peace "a one-man government" having most of the characteristics of a war government. In Australia, as in England, the change was more one of persons than of parties and policies. In the late Parliament the Nationalist Administration held a majority over the other two parties of one in the House of Representatives—38 members as against Labour's 23 and the Country party's 14. In the new Parliament the Nationalists have fallen back to 29, whilst Labour has risen to 29. The Country party remains at 14, and there are two Liberals and one Independent. Most significant of all was the fact

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that more than half the Nationalist casualties were in the Ministry itself, which lost five of its twelve members. Whilst the Nationalists lost more heavily than was expected, the gains of Labour were unexpectedly large, not merely in the House of Representatives, but also in the Senate, where Labour carried a majority of seats in five out of the six States. The Country party did not increase its numbers to the extent anticipated, but the mere maintenance of its position was sufficient to give it the balance of power. In the leadership, the policy and the outlook of this new factor in Australian politics lay the centre of interest, not only of the elections, but also of the formation of the new Government.

Where and how would the Country party throw its weight? On the answer to this question hung the fate of the Hughes Government. The Country party gave the decisive answer without hesitation. It refused to "support or co-operate with" any Government containing Mr. Hughes. Since the gulf between the policies of Labour and the Country party was too deep to be bridged by any alliance, the only alternative to a new election (which might not give any party a majority but would certainly increase the strength of Labour) was a coalition or alliance between the Nationalists and the Country party. Mr. Hughes was the chief barrier to such a solution. The objections of the Country party to him were based on three grounds. (1) The electors had passed a vote of censure on his administration. (2) His policy was objected to because of its tendency towards autocracy, its disregard of economy, and above all its predilection for State Socialism "of the fig-leaf disguised variety," to quote the phrase of Dr. Earle Page, the leader of the Country party. (3) The third ground was the personal factor. Many months before the elections Mr. Hughes had seen the Country party as the chief threat to his power, and on every possible occasion had attacked it and its leaders ruthlessly. After being pilloried for months by one who does not let his talent for vituperation

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go rusty for want of use, the Country party was not inclined to stay its hand. Through several weeks of tangled and obscure negotiations between the two parties, Mr. Hughes strove hard to maintain his power. Neither his own effort nor the support of his party—given partly out of loyalty to their leader, and partly because of resentment at the bluntness and pertinacity of the demand for his retirement—could avail against the fixed resolve of the Country party. The complete breakdown of the negotiations on February 1 was followed the next day by Mr. Hughes's dramatic resignation, and his advice to the Governor-General to send for Mr. Bruce, the Federal Treasurer. A week later Mr. Bruce announced the formation of the Bruce-Page Ministry.

No estimate of the nature and possibilities of this Ministry can be made without a clear understanding of the problems Mr. Bruce and Dr. Page had to solve. There were the difficulties inherent in the formation of any coalition—the problem of a common policy; the nature of the coalition; the strength of the respective parties in the Cabinet and their relationships in the House. Besides the ordinary difficulties of personnel—the expectations of members and the vested interests of past Ministers—there were difficulties peculiar to a federal constitution. The practice of having each State represented in the Ministry, and the traditional balance of the Ministry between the House of Representatives and the Senate, had to be considered. In solving this jig-saw puzzle it was inevitable that some individuals, some States, some sections of the respective parties, and the Senate itself, would be disappointed and dissatisfied. This indicates some of the weakness in the Ministry. It is not regarded as a particularly strong Ministry, nor even as the strongest which could have been formed under these conditions.

The most striking feature of the negotiations was the strength of will and decision of purpose shown by Dr. Earle Page; and it is generally agreed that these qualities

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have greatly strengthened the position of his party. He placed great emphasis upon the preservation of the identity of his party, believing that this was essential to the realisation of the programme of the party and especially of one of its main planks, the creation of new States. Rather than risk the absorption of his party in the larger Nationalist party he would have preferred to support a purely Nationalist Ministry of whose programme his party approved. The second alternative being ruled out by Mr. Bruce, the Country party was prepared to enter a Coalition, but only upon most stringent conditions. In the earlier stages of the negotiations they demanded a predominant voice in the Cabinet, which they considered to be necessary in order to preserve their identity. These demands were described by prominent Nationalists as "arrogant and outrageous." Rather than risk a breakdown of negotiations Dr. Earle Page was prepared in the end to accept a compromise which in fact gave equality in the Cabinet to the Country party, though nominally the Nationalists maintained a majority. To effect this compromise the members of the Cabinet were reduced from twelve to eleven, the Nationalists receiving six places to the Country party's five. But it was provided that if any matter before the Cabinet were decided on a strict party vote of six to five the decision was regarded as being in the negative. The compromise was not very favourably received by the Nationalists, the official party publication complaining that it invented a new conundrum, namely, "When is a Cabinet resolution defeated?" Answer: "When it is passed by six votes to five." It was agreed that the identity of the two parties should be preserved, each continuing to meet in a separate party room, but acting together in the House. At the opening of Parliament Mr. Bruce set a precedent by speaking for the combined parties on the floor of the House. Further, the positions of Mr. Bruce and Dr. Earle Page were made, as far as possible, equal in the Cabinet. Dr. Page is to act as deputy Prime Minister should the occasion arise; and the

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Ministry is to be known as the "Bruce-Page" Ministry. In justifying to his constituents the formation of the "composite Ministry," Dr. Earle Page claimed that he had preserved the identity of the party "so that if the policy they advocated could not be secured they would be able to pull out, just like an army corps, with their lines of communication and all their forces intact, to put their case before the public again as an independent political organisation." In view of the tendency throughout the Empire for the rise of Farmers' parties to replace the two-party system by a three-party system, the working of this novel agreement will be watched with widespread interest. It might, as Dr. Earle Page has suggested, "come to be regarded as historic."

With regard to the policy of the new Government, little that is definite can be said at this stage. The Ministry has secured the adjournment of Parliament for several months, after the short preliminary session, in order to work out its policy. Although inspired statements of policy have been made by the Press, the Prime Minister has discounted them as "unauthorised and incorrect." In his speech in the House in reply to the Labour censure motion, which was directed primarily against the failure of the Government to produce their policy immediately, the Prime Minister contented himself with indicating some of the problems which the Ministry would have to face and their general attitude towards these problems. Both Mr. Bruce and Dr. Earle Page, in speeches outside the House, have indicated the general principles upon which the Ministry is based and have set its tone. That every member of the Ministry is Australian born has possibly some small significance, since in his first public utterances as Prime Minister Mr. Bruce has emphasised that the Government stands for a vigorous national policy. "We will endeavour," he said, "to think nationally, see nationally, and act nationally."

But there are indications that the new Ministry will show a deeper insight than any previous Ministry into

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Australia's most vital problem, that of harmonising her nationhood with the two great complementary aspects of her external relations, namely, her fellowship in the British Commonwealth and her membership of the League of Nations. The League of Nations has a strong friend in Mr. Bruce, who ably represented Australia at the second meeting of the Assembly. Both Mr. Bruce and Dr. Earle Page have placed strong emphasis upon the development of the foreign policy, the defence policy and the trade relations of the British Commonwealth. In his opening speech in the House the Prime Minister placed these matters in the forefront of the Government's policy.

In view of the emphasis which he has laid upon the importance of holding an Imperial Conference at an early date to consider these questions, his statement in the House should be quoted :—

The Government believe that to-day, for the discussion of the question of an Empire naval defence scheme, consultation between the Dominions and the Motherland is essential ; and if an Imperial Conference is not summoned, Australia will press for one at the earliest possible moment, believing, as we do, that it is vital to our safety and our whole future welfare, wrapped up in the question of Empire foreign affairs. . . . We have to try to ensure that there shall be an Empire foreign policy which, if we are to be in any way responsible for it, must be one to which we agree and have assented. With full appreciation of the responsibility for what I am saying I suggest that this question to-day is not in a satisfactory position, and that, unless some better arrangements can be made, the position of an outlying Dominion like Australia will become intolerable. If we are to take any responsibility for the Empire's foreign policy, there must be a better system, so that we may be consulted and have a better opportunity to express the view of the people of this country. This is a matter that will have to be considered at the Imperial Conference.

If this strong statement is any true indication, Australia is likely to play an unusually important part at the Conference. What its policy will be the Ministry has not yet indicated. But it should be noted that Dr. Earle Page has repeatedly drawn attention to the necessity of more

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effective consultation between the Commonwealth and the British Government, and has urged that Australia should be represented in London for this purpose by a Cabinet Minister.

As regards domestic policy an important conference between the Commonwealth and the States will be held in the near future to consider, *inter alia*, the following matters: (1) the whole question of immigration; (2) the duplication of tax-collecting bodies, and the allotment of spheres of taxation as between the Commonwealth and the States; (3) amendment of the present dual control of industrial relations.

The Government is committed to an early consideration of the question of creating New States, and this will probably involve the summoning of a Constitutional Convention. Although the Ministry is in no sense a free trade Ministry, the Country party is pledged to ease the tariff somewhat in favour of the primary producer. Further, the strong anti-socialistic tendency of both sections of the "composite" Government, and their belief that trade and industry are not legitimate functions of Governments, will find vent in a rigid scrutiny of all government enterprises.

II. COMPULSORY ARBITRATION

Federal and State Jurisdiction

AMONG all the legislative experiments for which Australia is famous, none other has attracted so much attention both inside and outside Australia as legislation which has had for its object the judicial settlement of industrial disputes. All the States have elaborate machinery for this purpose. Soon after the establishment of the Commonwealth, federal machinery for dealing with what may shortly be called inter-State matters was superimposed on the State system. All this legislation, both State and federal, has been repeatedly amended. In-

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dustrial law now constitutes a separate and most voluminous branch of legal education and practice, requiring for its application a special body of judges and experts, and to-day Australia may certainly claim the distinction of possessing the most elaborate and complicated system of industrial legislation which is possessed by any country in the world. The root of all this complication is the existence of the Commonwealth system. Before its advent most of the States had their own systems which enabled them to deal more or less effectively with industrial trouble. Some of these, for example New South Wales and South Australia, were based on the principle of litigation between opposing parties. The regulation of an industry or the settlement of a dispute was effected by a judge who took sworn evidence, heard both sides, and gave his decision in the shape of an award governing the whole or any specified part of an industry. In other States the principle was that of negotiation between the parties in committees called Wages Boards, which included representatives of employers and employees in the industry, presided over by an impartial chairman. The only class of disputes with which these State tribunals were incapable of effectively dealing were those somewhat rare disputes in industries like shipping or shearing, in which the employees in the course of their occupation moved from one State to another. Clearly no one State could deal effectively with a dispute in such an industry. To deal with this class of case a provision was inserted in the Commonwealth Constitution giving power to the Commonwealth to pass laws for the prevention and settlement of industrial disputes extending beyond the limits of any one State.

If this power had been construed, as everybody supposed it would be, as being limited to industrial disputes which could not, by reason of territorial limitations, be effectively dealt with by the States, it would have been, probably, a useful addition to the ~~former~~ Commonwealth powers. Unfortunately, it was not so construed. A series of High Court

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decisions have determined, in effect, that an inter-State dispute exists whenever employees in one State join with employees in the same industry in one or more other States in making a demand on their employers which is not agreed to. Under such circumstances the Commonwealth Court obtains jurisdiction. Hence employees in any State who for any reason are dissatisfied with the awards of a State tribunal, or who think they are likely to get better terms from the Federal Court, can at the expense of a little time, paper, and ink bring themselves within the jurisdiction of the Arbitration Court of the Commonwealth, and obtain an award which will be effective in all the States concerned. To do this they link themselves up in a federal organisation with employees in the same industry in another State. This, however, does not destroy the jurisdiction of the State tribunals over the same industry. So that the industries of the Commonwealth, speaking generally, may be subjected, at the will of the persons engaged in them, to the jurisdiction of two entirely independent tribunals, which may, and in fact do, work on different principles.

It is true that the Commonwealth Court has dealt with a large number of so-called inter-State disputes either by adjudication or by securing agreements between the parties. But ninety-five per cent. of these disputes would never have existed at all as inter-State disputes if it had not been for the existence of the Commonwealth Court. The questions out of which they arose could in nearly every case have been dealt with quite as effectively, and more expeditiously, by the State tribunals.

As anyone might have expected, this state of things has resulted in almost intolerable confusion, difficulty and expense for everybody concerned. Employers in remote parts of the Commonwealth, working, it may be, quite harmoniously under a State award, may find themselves called upon to answer a claim for wages or conditions of employment lodged in the Federal Court in Melbourne. If they ignore it, they risk the making of an award that may

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ruin them. If they defend themselves, they have to face very heavy legal expenses, apart from the time and trouble involved in attending themselves, or in sending witnesses to present their case. As business in the Federal Court is greatly congested, and awards may be made retrospectively from the date when the claim was lodged, they may be called upon to make good heavy arrears of wages for many months back, during which their goods have been sold at prices based on wages at the rates actually paid. Many industries find some of their employees working under federal awards, and others under those of the State tribunal.

It is not surprising that under these circumstances there should have arisen a demand in some quarters for the complete abolition of the whole system of the compulsory settlement of disputes by industrial tribunals. This demand, however, does not represent the real feeling of the people of Australia. In spite of their unfortunate experience with the duplicated machinery which has been described, they are not prepared, so far as one can judge, to scrap the whole system. One remedy lies in the direction of securing a more reasonable and workable division of power between Commonwealth and States. A strong effort is now being made by the State Governments to effect this. The proposal is that the federal jurisdiction shall be limited to certain defined industries which are essentially of a federal character, and that everything outside these shall be in the exclusive control of the States. Unfortunately, this remedy cannot be applied in a permanent form without an amendment of the federal Constitution. This is a cumbrous and difficult business, involving a referendum of the whole of the people of Australia. Another proposed remedy lies in the transfer to the Commonwealth of the whole power over industrial arbitration, making the State Courts branches of a central federal court. This is strongly objected to by the States on the ground, primarily, that it in effect involves the transfer of the whole power over industrial matters, which is not regarded as being properly

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a federal concern. This also would involve an amendment of the Constitution. But the existing state of things is intolerable; and whatever it costs in money and trouble, it must be altered. A Conference of Federal and State Governments is shortly to consider the whole matter, and it is hoped that before these pages are printed an arrangement will have been arrived at which will remove this clog on the wheels of our industries.

Another serious element of confusion has been introduced into our arbitration system by a recent decision of the High Court. For twenty years after the establishment of the Commonwealth it had been held that employees of the State Governments were exempt from the jurisdiction of its industrial tribunals. A short time ago, however, these decisions were overruled, and the exemption of what are called "State instrumentalities" from the jurisdiction of the Federal Court came to an end. Our State Governments engage, to a very considerable extent, in industrial enterprises, of which the State railways are the most important. The profits of these enterprises—where there are any—go to the Consolidated Revenue, which also has to bear any loss, so that their fortunes are a matter of the greatest moment to the State Governments and taxpayers. Under the new conditions, while the responsibility for these enterprises remains with the States, the power to determine the cost of conducting them may be placed in the hands of an authority over which the State Governments have no control whatever. Naturally, this has evoked a strong protest from the States, and an endeavour will be made at the forthcoming Conference to restore the former exemption of all State employees from the jurisdiction of the Federal Court, notwithstanding that many bodies of State employees are strongly in favour of the retention of their right to approach the Federal Court.

Perhaps the most serious aspect of the federal jurisdiction over industrial arbitration is not the confusion it has introduced into our industrial regulation. It has had

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other, and from a political point of view, far more serious consequences. It is not too much to say that it has altered the whole political history of the Commonwealth. The primary object of the people who advocated federation was to secure the establishment of political machinery to deal with problems in which the whole continent had substantially a similar interest, and which, owing to the territorial limitation of the States, could not be effectively dealt with by the individual States. These were, speaking generally, such questions as defence, external relations, Australian interests in the Pacific, customs tariffs, posts and telegraphs. There were also other matters, such as bankruptcy, company law, matrimonial law, in which uniformity of law was desirable over the whole territorial area of the Commonwealth. Industrial legislation was not considered to be one of these matters, and it was not contemplated by the framers of the Constitution that the Commonwealth should have any jurisdiction in this subject-matter beyond the very limited power to settle disputes in industries such as shipping which has already been referred to. Those were disputes which, from their intrinsic nature, could not be settled by the authority of any single State. The construction given to this power by the High Court has, however, brought practically the whole field of Australian industry within the federal scope.

In Australia, as in other countries, industrial questions have, for years past, been the most interesting, the most vital, and the most important of all political questions. The other essentially federal subjects which were enumerated—defence, external relations, etc., vitally important as they are, have nothing like the same political value to a party in search of an attractive programme. A review of the parliamentary history of the Commonwealth will show that industrial subjects have occupied far more of the attention of the Commonwealth Parliament, and of the electors, in their capacity as federal voters, than those subjects which have been described as essentially federal.

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Consequently, both politicians and electors have taken far less interest in these questions than their importance deserves. There is far less educated public opinion on them than there ought to be, and far less than there would be if the Commonwealth Parliament had devoted more attention to them and less to industrial problems which the State Parliaments were perfectly competent to deal with. The matter is fundamental. The excessive and unnecessary attention which has been given to industrial questions by the Commonwealth has diverted attention from matters with which the Commonwealth alone can deal, and which it is essential should be dealt with. At the same time it has not given any satisfactory or efficient regulation of Australian industry. A more reasonable delimitation of powers will not only be beneficial to our industries, but will help in the solution of those great problems of our relationship to the Empire and to the rest of the world which recent events have made so urgent.

III. QUEENSLAND

THERE are not wanting signs, the result of the federal elections among others, that the Labour party is losing its hold on the people of Queensland. Although the Premier, Mr. Theodore, has judged it politic to endeavour to loosen the bonds which unite its extreme sections to Bolshevism, there can be no doubt that the blood-red object-lesson of Russia is going to be a factor in the political future of Queensland, as of other English-speaking communities.

The contest is between a weakening party with a strong head, and a party, or rather two parties, so conscious of weakness in men of capacity at the head that there has been some not very seemly coquetting with Mr. Theodore to change sides and accept their leadership. The Premier has gained some immediate advantage by disclosing these negotiations, as also by the successful prosecution for attempted bribery of a political agent, who offered a consider-

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able pecuniary inducement to a member of the Labour party to vote for a censure motion which would have resulted in his party's defeat. It is unnecessary to say that so astute a politician as Mr. Theodore has made the most of the fine opportunity presented to him by the clumsiness and unscrupulousness of some of his opponents. At the same time, if we are to draw any analogy from the fate of Mr. Lloyd George in Imperial, and Mr. Hughes in federal, politics, it would seem that the strong personality with the weakening party is likely to be worsted in the struggle with the strengthening parties opposed to him. An essential step towards the result must be the union of the anti-Labour forces, the "Nationalists" and "Country" parties, and with a view to this there has been a conference at Rockhampton, and the formation of a "Queensland United" party. At the by-election that shortly succeeded the conference, the United party's representative, though he did not get elected, succeeded in considerably reducing the Labour majority. If, in the dearth of first-rate, or even respectable second-rate, capacity in the public life of the State, a leader can be found, the days of Labour rule in Queensland are drawing to an end. Meanwhile, Mr. Theodore is carrying out his programme as unconcernedly as the Spartans combed their hair before Thermopylæ. He shows no signs of contrition for the much criticised "Repudiation Act" with regard to pastoral leases, though he must realise that it was one of those blunders that are worse than crimes.* He professes not even a sentimental

* The Queensland Government, having granted pastoral leases at certain fixed rentals, subsequently altered those rentals in defiance of the agreement. It was argued that the agreement was made by a "Liberal" Government after a period of great pastoral depression, and that the rentals were thus, on the urgent application of the pastoralists, fixed at an extremely low rate; and that circumstances had so altered during the period immediately preceding the "Repudiation Act" that the lessees could well afford to pay the increased rates—much wanted by a community struggling with war debts. The writer has good authority for stating that most of the pastoralists had no objection to paying the increased rates. Though certainly "not in the bond," such an increase under the improved conditions was only a "fair thing." But they strongly resented the retrospective clauses as iniquitous.

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regret for the passing of the Upper House, and he presses on with judicial and administrative reforms with the careless energy of the strong man self-confident.*

One-Chamber Rule.

The abolition of the Upper House in 1921 brought the question of a Single-Chamber Government rather dramatically before the Queensland public. Though the abolition was at the time merely a move in the party political game, sufficient time has now elapsed to allow some historical perspective in estimating the wisdom of the course. There is no doubt that, for a population of three-quarters of a million, Queensland is ridiculously over-governed. To maintain their quota of members in both Federal Houses as well as in two legislative Chambers in Brisbane may well be considered an unnecessary burden on an already over-taxed community. But if the Second House is to be abolished, how is an effective check to be secured upon the legislative vagaries of the popular Chamber? It is unlikely that any reversion to the nominee principle for a second chamber would commend itself to the Queensland electorate, and some thoughtful observers of the situation incline to the view that an improvement in the personnel of the Assembly is the only way out of the difficulty. But this is a counsel of perfection. Its complete achievement would inaugurate an era corresponding to Aristotle's "rule of the best" and solve all political problems. Something in this direction, indeed, might be achieved by the substitution of three Provincial Assemblies for the existing central body, which meets to govern a huge territory more than $5\frac{1}{2}$ times as large as the United Kingdom, from a town in the south-east corner of the State. One of the chief arguments advanced for decentralisation is that it will attract legislators of a more responsible and informed type than the

* Since this article was written a general election has been held in Queensland on May 12, with the result that the Labour Government has been returned with an increased majority.

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existing professional politician. Reform along these lines would march with the new State propaganda which is being vigorously canvassed in New South Wales under the leadership of Dr. Earle Page, who is now in a position to insist that the new Federal Government should give this matter early and full consideration. On the other hand, it must be remembered that the abolition of the Queensland Upper House was undertaken in spite of the decision of the people, in so far as that could be ascertained by a referendum taken in May, 1917, and that it was accomplished under the régime of a Lieutenant-Governor who had been a Labour Minister. It would perhaps be an overstatement to claim that the 179,000 electors who voted against the abolition would endorse Lecky's verdict that "Of all forms of government which are possible among mankind, I do not know of any which is likely to be worse than the Government of a single omnipotent democratic Chamber."* But there is undoubtedly a solid body of opinion in Queensland which is in favour of the reconstitution of the Second Chamber on lines which would make it a real safeguard against hasty and unwise legislation without imperilling the principle of popular sovereignty.

Judicial Changes.

The English world looks with suspicion on any measure that might seem calculated to impair the dignity and incorruptibility of the judicature. The old system of appointing judges for life has worked fairly well in Queensland, but of recent years it has been borne in on the public mind that advancing age may impair a man's judicial qualifications, although he may himself be insufficiently aware of this fact to prompt him to resign. This has given some excuse for Mr. Theodore's measure compelling all judges to retire at the age of seventy. If any machinery could be devised, free from politics or personal influence,

* *Democracy and Liberty*, by W. E. H. Lecky. (Longmans, Green & Co.)

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by which judges highly efficient after the prescribed period could be encouraged to remain on the bench, and others compulsorily retired even before it, that would undoubtedly be the best expedient. As things were, we were faced with the dilemma of losing some years of the ripest judgment of a few abnormal men, or of suffering from the administration of justice by others whose powers were undoubtedly failing. But if the principle of compulsory retirement is to be upheld, it cannot be divorced from some provision of a retiring allowance. This allowance might be partly the fruits of compulsory insurance during tenure of the judgeship; but it must be adequate to support the ex-judge in comfort to the end of his days. It is derogatory to the dignity of the Bench, and dangerous to its impartiality, that judges should be forced to resume their careers at the bar on the termination of their judicial office. Yet such a case has actually happened in North Queensland, where an ex-Supreme Court Judge is now pleading cases before his successor, whom as a barrister he befriended fifteen years ago.

General Outlook.

The vagaries of passing Governments, like set-backs from the droughts that are seldom absent from some part or other of the Australian continent, may retard, but cannot stop, the progress of a province with such varied natural endowments as Queensland. And in at least two departments the Theodore Administration has done good work. In opening up the Bowen coalfield the Queensland Government has tapped a vast source of future wealth, the coal being almost immeasurable in amount, and in quality the best hitherto discovered in Queensland. In pressing on with the coastal railways Mr. Theodore has acted wisely and well. By the end of the present year it is estimated that the chief centres in North Queensland will be linked to Brisbane, and it will be possible to travel by train from Cloncurry, Queensland, to the Murchison, West Australia,

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passing through Townsville, Brisbane, Sydney, Adelaide and Perth, a distance of some five thousand miles.

Except for the squatters who are revelling in the rise in the price of wool, and the wholesale merchants who made money on rising markets during the war, prosperity in Queensland is not just now widely spread. The cattle-men are dismayed to find that the war-time prices for beef are no longer procurable. The sugar industry is threatened by an agitation in the southern States for cheaper sugar. Gold-mining seems moribund: the decreasing value of gold and increased wages of miners have all but killed the chance of profits, and with it the mining speculator, the goose that laid most of the golden eggs. The copper mines are idle, or kept partly at work by State assistance, and the "fixed salary" man who cannot escape the high cost of living or pass on taxation suffers in common with his class all over the world.

Nevertheless, the spirit of hopefulness is in the air. For a pastoral selection in the Richmond district on the Cloncurry line in February there were no fewer than 1,700 applications. The outlook in tin is more promising than in the other metals, and there have been some rich yields from mines in the Ewan district. Large areas of Central Queensland have been declared by competent judges ideal land for cotton, and considerable crops are already being gathered. This is an industry that may one day rival that of wool. Dr. Cilento, the able young South Australian who has succeeded Dr. Breinl as head of the Queensland Tropical Institute, has returned from a trip to the Atherton table-land at the back of Cairns, full of enthusiasm for this magnificent district, in area as large as Tasmania, in climate delightfully cool and healthy—a thousand to four thousand feet above sea-level—with soil capable of growing all temperate and sub-tropical cereals and fruits, a district wanting only population to be one of the wealthiest farming areas in the British world.

If the Australian ideal of a "White Australia" is to be

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more than a passing dream, it is essential that the vast empty North should be filled, and no more effective step could be taken than the systematic colonisation of the Cairns "hinterland" by men of our own race. Italians are flocking to Innisfail and the other Queensland sugar centres and, owing to their proved capacity for co-operative work, Italians are well suited to this industry. But on the Atherton table-land there is room for thousands, and hundreds of thousands, of British stock who can make up their minds to a strenuous life for a few years, among rough but healthy surroundings, as the price of a happy home in a new and prosperous England over seas.

Australia. March 27, 1923.

SOUTH AFRICA

THE UNION AND ITS NEIGHBOURS

THE Rhodesian referendum has settled, for a period at any rate, the Union's general relations with its northern neighbour. But questions have now arisen which force us to consider afresh our relations with neighbours on either flank, with Portuguese Mozambique on the east, and with the Mandated Territory of the "Protectorate" on the west. This growing consciousness of neighbours and of the need for new adjustments to them as circumstances change is evidence not only of the growth and increasing stability of the Union, but also of its new consciousness of itself as the leading state in the sub-continent. The questions now being debated are fraught with momentous possibilities for the future of South Africa and of the Empire, and it is well that their bearings should be clearly understood from the outset.

The only mention we need make here of the case of Rhodesia is to point out that her decision not to throw in her lot with the Union is likely to have a hampering effect upon our relations and negotiations with our other neighbours, for Rhodesia also has a Portuguese frontier. Further, the fact that Rhodesia and not the Union will be in direct contact with the other European Power established in Southern Africa, Belgium, is not likely to smooth the path of our foreign policy. The same conflicts and cross-purposes over ports, railways, and customs that marked the inter-colonial life of pre-Union days may again be repeated in the relations of the Union to Rhodesia and of each to

South Africa

other Powers. However, in this matter, time and experience must do their necessary work ; we pass on to consider the more immediate issue of our relations to the " supporters " dexter and sinister of our Union shield.

I. MOZAMBIQUE

SINCE the middle 'eighties the history of the relations between Mozambique and the states and colonies of the hinterland has turned mainly on questions of railway rates and customs. After the discovery of gold on the Rand a further and most important matter for negotiation and agreement was the maintenance of that steady supply of native labour from Portuguese East Africa on which the mines depended for their working.

Before the South African War of 1899 the Netherlands Railway Company held control of the lines from the Portuguese border to the Rand and controlled communication with Delagoa Bay. It was to the interest of the Company, of the Government of the South African Republic, and of the Government of Mozambique to divert all traffic along this line and in those days, and for a considerable time after the South African War, the bulk of this traffic was import.

The securing of its sea-outlet through Delagoa Bay was a vital matter for the old South African Republic in every sense. It was vital in the economic sense as keeping open the shortest and most convenient route by which imports could come and this aspect increased in importance with the industrial development of the Rand. It became increasingly vital in the political sense also as the rivalry between England and other great Powers for the command of South African resources brought the Transvaal under ever greater and greater pressure. In such circumstances, and as friction with the British Government developed, free access to the sea by a route which touched no territory

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that belonged to Britain or to any other great Power was a life-duct that had to be secured at all costs. Moreover, railway enterprise working from the Cape Colony and Natal in the south had in view the advantages and the gains that would accrue from a share in the profits of the transit trade to the north. Hence the gravity and importance of the episode of the closing of the frontier "drifts" (or river passages) on the Vaal by the Kruger Government in the middle 'nineties. A further reason for the maintenance of close relations between the Republic and Mozambique and for the most minute and careful bargaining was the growing importance of the supply of Portuguese native labour for the Rand mines.

The conquest of the Transvaal by the British did not alter the situation so much as might have been expected, for its features were rooted in the solid economic facts of the case. The mines still needed labour and a cheap and easy communication with the nearest good harbour. Some agreement with Mozambique would still have to be maintained. But now the British were in occupation, based on the south, and for every reason it was important to develop railway communication between the Transvaal and the ports of Cape Colony and Natal. The economic necessities were, nevertheless, so overwhelmingly strong that, in order to get the mines started again, Sir Alfred Milner had to conclude a *modus vivendi* with Mozambique, which he carried through in his capacity as High Commissioner. Its main purpose was to secure labour and as the price for this customs and railway concessions had to be made and the Portuguese secured an arrangement of railway rates that guaranteed to them a certain share in the lucrative transit trade to the "competitive zone" of the Rand. The southern Cape and Natal lines got what they could in the way of rates and customs, but the existence of the *modus vivendi* as the sole means of securing an adequate labour supply for the mines continued to set a rigorous limit to southern ambitions. Indeed, as everyone knows, it

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was this situation of conflicting interests of economy, transport, and fiscal gains that did more than anything else to hurry on union.

For a long time, and even while thousands of Chinese coolies were working on the Rand mines, the great majority of the underground labour continued to come from Mozambique, and the Transvaal could make no concessions to the coast colonies which would endanger the agreement on which the maintenance of that supply depended. Even while the draft Bill for union was being debated by the Colonial Assemblies and there was grave danger of the wreck of the whole project of union on the rock of railway and Customs difficulties, the need of the Transvaal was so insistent that its Government, in order to secure its position under union, substituted for the *modus vivendi* a more formal Convention with Mozambique, which was signed by Lord Selborne as Governor of the Transvaal on April 1, 1909. This is the agreement which has now lapsed (March 31, 1923).

Two constitutional points may be noted in passing, in view of current controversies: (a) The instrument was signed by Lord Selborne, acting as Governor of the Transvaal (*not* as High Commissioner) "and as such acting for and on behalf of the Government of the Transvaal," and by an ex-Governor-General of Mozambique "acting for and on behalf of the Government of that Province." Thus the agreement was strictly local in its application and there was no formal appearance of the parent Power on either side. (b) Clause XL of the Convention explicitly undertook that, in the event of the Transvaal entering the Union, the Union Government would carry on the obligation and, by Clause 148 of the South Africa Act, this was done.

This Convention was to run from 1909 for ten years. It was then renewed from year to year until 1922. In that year, after some correspondence with the Portuguese Government about its continuance, in which the Portuguese agreed that the arrangement was obsolete, the Convention

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was formally denounced by the Union Government, and the year's notice that was due under the Convention itself expired on March 31 last. Negotiations for a new agreement were opened and a Portuguese delegation came to Cape Town last year. The negotiations have since been transferred to Lisbon.

Speaking in the Legislative Assembly on February 22 of this year, General Smuts announced that though the Convention would expire on March 31 there was no hope of any definite conclusion before that date to the negotiations. Of the three parts into which the Convention fell, those dealing with native labour, railways and customs respectively, neither Government was prepared to renew the agreement in its present form so far as concerned the second and third. Hence both Governments had agreed to allow these to lapse pending a new agreement, and to continue the old agreement so far as concerned native labour, subject to six months' notice on either side.

While Parliament concurred in the general necessity of continuing the supply of native labour from Mozambique, it endorsed cordially the view expressed by the Prime Minister that this supply should be drawn upon as little as possible, and that the Union should use more and more its own natives for both the gold and the coal mines.

Recruitment of Portuguese labour was to be restricted to 50 per cent. of what it was before the Rand strike of March, 1922, so far as Government influence could determine.

The other questions of economic and political relationships with Mozambique will not be solved so easily. For the situation is altogether different from what it was in 1909. Union has come, first into existence, and now into full self-consciousness; the Great War has been fought and won; Germany has gone from our borders; a South African Government, neither Dutch nor English, is in power; and the whole question of treaty-making powers in the Dominions is being raised anew. These are the

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political facts, to which we must not omit to add the further important fact that Portugal discharged her obligations as an ally during the war.

The economic facts are no less changed and weighty. The Convention was made to meet the needs of an importing inland country. Our interest now is that of a maritime country with a large and growing export trade. What we need, therefore, are outlets, and the Convention did not view Delagoa Bay in this aspect.

The coal fields of the Eastern Transvaal contain vast quantities of high-grade coal, and the existing mines are already capable of producing an output far in excess of the demands of the internal trade: the coal mining industry in this important region is therefore dependent, both for present prosperity and future expansion, on its success in capturing a good share of the bunkering trade on the East Coast, and on building up an export trade with the Far East. The railway and port facilities which Lourenço Marques is at present able to provide are quite inadequate for the increased demands of this bunkering and export trade, and are seriously hampering its development. It has been the object of the Union Government in its negotiations with Mozambique to remedy this state of things by obtaining some effective share in the control and management of that portion of the Portuguese railway system which provides the link (58 miles in length) between the Transvaal frontier station at Komati Poort and the coast, and of the harbour at Lourenço Marques, but such a share the Portuguese Government have so far shown themselves unwilling to concede, and it is on this point that negotiations seem for the present to have reached a deadlock.

The attitude of the Union Government towards the new situation represents the general opinion of the country, and may be stated by saying that we bring to the Portuguese an offer of continued friendship in the one hand, and in the other hand the threat of a new eastern outlet port of our own if we cannot make satisfactory use of Delagoa. The

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proposal to construct a new port on the Zululand coast is not to be taken as mere bluff. The idea of an outlet for Transvaal traffic at Kosi Bay is of long standing, and this project has now been modified by the selection of a more suitable spot at Sordwana Bay, close by. If the Union Government cannot come to a mutually advantageous agreement over the use of Delagoa, the finding of a new outlet is a vital necessity for us. The project of developing Sordwana Bay is no mere bluff, still less is it a suggestion of revenge.

We may assume that there will be no renewal of the agreement to guarantee at least 50 per cent. of certain classes of all railway traffic in the Transvaal to the Delagoa route, nor of the engagement by each party to admit the 'products of the soil' of the other and certain classes of manufactures free of duty. Already the Natal sugar-planters are counting their profits from a Transvaal market free from the competition of duty-free Mozambique sugar.

There may still be difficulty, but our economic position is strong enough to enable us to discount the possibility of failure. Trade must take its most natural and convenient routes, and the Union peoples, white and coloured alike, must find employment in the most convenient and natural way. There will be every disposition to make a mutually advantageous agreement with Portugal on these lines, and it is to be hoped that neither pride nor prejudice will intervene to prevent such a settlement. For we would much rather bring Mozambique into the orbit of our economic system than be forced to circumvent and isolate her.

II. SOUTH-WEST AFRICA

THE problem for the Union of establishing settled relations with neighbouring territories is complicated by the fact that no two of its neighbours are of the same political type or status. Rhodesia is a separate unit within

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the Empire, Mozambique is a dependency of a European state, and now we have to deal with an entirely novel kind of political unit in the shape of a mandated territory. In undertaking the task of governing South-West Africa under the conditions of its mandate the Union is true to its rôle as a great political laboratory. Problems are already arising in the settlement of our relations to this territory—and in particular to the Germans who still inhabit it—which may well lead to the creation of new political forms and the adoption of new political conventions.

In the South-West Protectorate we have the only instance arising out of the Peace of Versailles of a German community brought within the Empire. Any parallel that we might be tempted to draw between their position and that of Acadians or French Canadians in the nineteenth century is vitiated not only by the fact that these were peoples of non-Germanic stock, but by the further fact, more immediately important, that the status of the Protectorate is not that of an annexed territory. There is thus no parallel either with the case of the conquered and annexed Republics after the South African War. There is wide divergence of view in the Union itself on the question of the present status of the German settlers, and the future of the Protectorate will remain obscure until the initial problem of their nationality has been successfully solved.

To gain an understanding of the position it is necessary to refer to the Peace of Versailles and to the League of Nations Covenant that formed part of it. Article 119 of the Treaty surrenders Germany's rights and titles over her overseas possessions "in favour of the Principal Allied and Associated Powers." Article 122 gives to the Government exercising authority over such territories the right to make such provision as it thinks fit in regard to the repatriation of Germans and the conditions under which they may be permitted to reside, trade, hold property or exercise a profession.

The Union Government had by the end of 1919 repatri-

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ated 6,374 Germans, classified under the following heads : military, 1,619 ; officials, 1,226 ; police, 873 ; undesirables, 1,223 ; voluntary, 1,433. These figures include in each case the families resident in the territory of the persons concerned. The remaining German civil residents, numbering in all 7,855 out of a total European population of 19,432, have been permitted to remain in the territory in full enjoyment of their civil rights.

Article 22 is the "Mandate" article. In it South-West Africa is specifically mentioned as one of a type

which, owing to the sparseness of their population . . . or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered *under the laws of the Mandatory as integral portions of its territory*, subject to the safeguards above mentioned in the interests of the indigenous population. (Italics ours.) (The "safeguards" have reference, of course, to guardianship of native peoples.)

Article 22 further provides that the Mandatory shall render to the Council of the League of Nations an annual report of its discharge of its duty, and adds :—

The degree of authority, control or administration to be exercised by the Mandatory shall, if not previously agreed upon by the members of the League, be explicitly defined in each case by the Council.

The formal mandate, which was issued by the Council of the League of Nations on December 17, 1920, and was stated to be "conferred upon His Britannic Majesty to be exercised on his behalf by the Government of the Union of South Africa," provides by Article 2 that

the Mandatory shall have full power of administration and legislation over the territory subject to the present mandate as an integral portion of the Union of South Africa and may apply the laws of the Union of South Africa to the territory, subject to such local modifications as circumstances may require.

The Mandatory is required to "promote to the utmost

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the material and moral well-being and the social progress of the inhabitants of the territory."

It is clear that the mandate confers on the Union Government very complete authority to determine the future of the territory and its inhabitants, and that, in the remotely improbable event of South Africa relinquishing the mandate, the territory would revert not to Germany, but to the five Great Powers to whom Germany's rights and titles were surrendered by Article 119 of the Treaty. Mr. G.R. Hofmeyr, the Administrator, and General Smuts himself have both done their best to make the position clear to the German residents, and to impress upon them that any hope either of independent status or of restoration to Germany is visionary and vain. At the same time there has been no desire to emphasise their position of subjection, to "rub it in," as it were. On the contrary, both the Administrator and the Union Prime Minister have gone to lengths which threatened to compromise their dignity in their endeavours to conciliate German opinion and to convince the Germans that, as the Administrator put it, there was a place for them in the parlour of Union citizenship, and not one merely in the kitchen. Persuasions and blandishments do not appear on the surface to have had any great effect, and the temper of the majority seems to remain suspicious and unresponsive. But the proper settlement of the territory, the securing of its economic future, and the formulating of a programme for its political development all call for a speedy settlement of the vexed question of citizenship, and legislation cannot be much longer delayed. As far back as 1920 a Parliamentary Commission was appointed to recommend a course of procedure to the Union Government. An early result was the cessation of martial law on January 1, 1921, and the appointment of a small nominated Advisory Council to assist the Administrator.

¶ In making recommendations for the future, the Commission took pains to dispel the delusion under which some

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Germans were labouring that the Protectorate was under a mandate similar to that of Iraq and other territories formerly Turkish. These, it was contemplated, would in time be able to stand alone, and the temporary Mandatory was to act with that consummation in view. The Germans of South-West Africa, as a civilised European community, were inclined to maintain that this condition also applied to them. The Commission quite conclusively proves this to be an error by quoting the condition which is printed in italics above from Article 22, and adding the reference to Article 122, which gives the Mandatory power to repatriate the Germans if it thinks fit. Clearly such a provision shows that no ultimate independence could have been contemplated. The Nationalist member of the Commission differed from his colleagues and claimed that the South-West Protectorate was entitled to self-determination. But the position he takes up is too suspiciously like the official Nationalist position in regard to the status of the Union itself to be regarded very seriously.

The question of the procedure to be followed in conferring Union citizenship on the Germans gave rise to a divergence of opinion of greater practical importance. It would puzzle an international lawyer to state what their actual present status is. The mandate saves them from the "dissolute state of masterless men," but they are, nevertheless, citizens of no country. A mild and conciliatory administration has given them far more liberty in the educational and general use of their language than was granted to the conquered Republics twenty years ago; access to financial aids such as the Land Bank; freedom of speech and movement, and generally all the privileges of civil life. But all is insecure, and the economic future of the territory especially is insecure, until the vital question of citizenship is settled. A majority of the Commission, like the present Administrator, favours an "Automatic" Law, making all Germans resident in the territory on a given date Union citizens, subject to an opportunity being given them to contract out, as it were,

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by signing within a limited period a formal declaration of unwillingness to accept such citizenship. On the other hand, one Commissioner expressed the view that the Germans should be given a perfectly free option, and proposed that the question should be dealt with by the simple process of extending the Union Naturalisation Law to the Protectorate.

No doubt the appearance of compulsion under the first method would be made the most of both by the Germans and by the Nationalist critics of the present Government in the Union. There are those who would rejoice to point the finger at Smuts the Oppressor. On the other hand, you may make it harder instead of easier for the German to do what he perhaps wishes to do if you throw the onus of choice upon him. There was a music-hall song some time ago with a refrain something like : " You made me love you ; I didn't want to do it." One suspects that German psychology may be rather like that, and that the outburst with which compulsory imposition of Union citizenship might be received would be merely the growl with which the recipient dissembles his satisfaction. Certainly the pressure which may be publicly denounced as tyranny may be privately welcomed by the alleged victim as affording relief from the inconveniences of an ambiguous situation.

Whether the " Automatic " method will be applied depends very largely on whether the present Union Government feels strong enough to resist the charge of high-handed action that would inevitably be made against it. That is uncertain. But the settlement of the question of nationality cannot be delayed much longer. Immigrants are coming into the territory. With Government help farms and ranches are being developed and the supreme problem of water supply is being tackled. Walfisch Bay Harbour is being equipped for meat export and large cold storage accommodation is being erected there. Capital is badly needed and political settlement will help its arrival. English and Dutch residents are as unenfranchised as the

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Germans, and are naturally becoming restive under an unfamiliar one-man rule. Most of all, perhaps, the serious difficulties which the Administration is experiencing with some sections of the native inhabitants render it specially important that the purely European issues should be cleared up without delay, and government put on a basis of greater freedom.

The report of the three members of the Native Affairs Commission of the Union who were appointed as a special commission to inquire into the rebellion of the Bondelzwarts, a small Hottentot tribe, which took place in the territory in May, 1922, and the method of its suppression, has recently been published, together with a memorandum from the Administrator commenting on some of the criticisms and recommendations made by the majority of the Commission. These documents will be duly forwarded to the Council of the League of Nations, and will no doubt be discussed in Parliament before the end of the present session. Comment is best deferred until this discussion has taken place.

South Africa. April 19, 1923.

NEW ZEALAND

I. THE POLITICAL OUTLOOK

UPON the declaration of the results of the General Election in December last, the political situation immediately became obscure. Prominent members of the last Parliament, the Speaker, the Chairman of Committees and the Minister for Justice, lost their seats, and the Government following fell, as compared with the previous Parliament, from 48 to 38 in a House of 80 members. On the other hand, the representation of the Official Opposition, the Liberal-Labour party (the modern name for the Liberal party of Seddon's day), remained constant at 19 members, while the strength of the Labour party rose from 5 to 17, leaving 6 members who might be classed as Independent. Obviously, the Government (or Reform party) was in a small minority in the House. On the other hand, the Reform party had improved its position in the country by some 73,000 votes, a number greatly in excess of the gains of both the Liberal-Labour and the Labour parties combined. Indeed, the Reform party reduced its minority in relation to the total of the votes cast for the Liberal-Labour party and the Labour party together, from approximately 100,000 in 1919 to 50,000 in 1922. Despite these gains the Reform party reaped, as already mentioned, only 38 members in the House in 1922, as compared with 48 members in 1919. This result was due very largely to vote-splitting in triangular contests, and there can be no wonder that the

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Reform party felt chagrined over its Parliamentary harvest. The obscurity of the situation was increased by the fact that four election petitions were launched. In three instances the seats of Ministers of the Crown were in question, the Hon. C. J. Parr and Sir Maui Pomare defending their seats, and the Hon. E. P. Lee endeavouring to regain his. In the remaining instance the seat of a Reform member was assailed by the defeated Liberal candidate, but owing to the death of the latter this petition has since been allowed to lapse.

In these circumstances it was obvious that until the election petitions had been decided, and the House had met and voted on a motion of no-confidence, there was no actual means of determining the fate of the Government. It was clear, however, that it could not remain in power without an access of strength from outside its own ranks, and during the election definite indications had been given by Mr. Isitt, a leading member of the Liberal-Labour party, and by Messrs. Bell and Witty, of the Independents, that they would vote for the Reform Government on a motion of no-confidence if the alternative was to leave the Labour party holding the balance of power. Mr. Isitt had been particularly emphatic upon this point, and it was, to quote the *Evening Post* of December 18 last, "Mr. Isitt's soundness on this issue that induced Mr. Massey to avoid the responsibility of running a candidate against him." Labour now held the balance of power, and Mr. Massey might, therefore, subject to the results of the election petitions, legitimately expect a small majority upon a no-confidence motion. This majority, nevertheless, would be so small as to prevent the effective realisation of any legislative programme, and the Reform party accordingly began to stretch out a hand to the Liberal party. At a meeting held in Wellington on January 11 last, the Reform party caucus passed certain resolutions inviting and welcoming "any equitable arrangement by which those members of Parliament who are opposed to communism may be brought

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together, with the object of expediting the country's business and keeping in check any section who favour principles subversive to the best interests of the Dominion."

The remaining portions of the resolution expressed appreciation of the increase in the votes accorded to the Reform candidates at the last election, declaring that the most important question at issue under existing circumstances was whether the doctrine of revolutionary socialism should be tolerated in New Zealand, and that "the line of political demarcation in this country should be between those citizens who, on the one hand, believe in a progressive and enlightened and constitutional democracy and, on the other, those who favour the policy of communism or extreme socialism." The resolutions also expressed the view that the three-party system led to instability of Government at a time when a strong and stable Government was urgently necessary; and expressed continued loyalty to the Prime Minister. The Liberal-Labour party took no definite notice of these resolutions until the eve of the short session of Parliament, when, at Wellington, on February 7 last, the Liberal caucus rejected the invitation contained in the Reform party's resolutions. After making congratulatory references to the services of its leader, the Liberal-Labour party declared for the maintenance of the identity of the Liberal-Labour party as a distinct party, and announced that so long as the Reform party continued to represent and be mainly influenced by the owners of large vested interests, the large landowners and the controllers of monopolies, the opposition of the Liberal-Labour party to the same would be vigorously maintained. The party also re-stated its opposition to all extreme revolutionary proposals.

The Labour party, led by Mr. Holland, also held a caucus on the eve of the short session, but no resolutions were published. No one, however, entertained any doubt as to the Labour party's straight-out opposition to the Reform Government on all occasions.

In accordance with precedent, it was the Prime Minister's

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duty to call the General Assembly together as early as possible, and the twenty-first Parliament of New Zealand met on February 7 last. The Prime Minister determined, as he stated during the subsequent debate, that it was better to get the session out of the way before the Election Courts sat. This was done, and the members whose seats were being attacked took their places in the new Parliament. Nevertheless, it was obvious that in these circumstances a division on a motion of no-confidence would still leave the issue in doubt. The speech from the Throne was colourless and short.

My ministers have advised, said His Excellency the Governor, that a meeting of the General Assembly should be convened at the earliest convenient opportunity to consider and determine matters concerning the general administration of the affairs of the Dominion, and any subjects which may appear to arise for your immediate deliberation.

The only legislation foreshadowed was the postponement of the date appointed for the coming into force of the Stamp Duties Act passed towards the close of the last Parliament. This was a piece of hasty and ill-considered legislation which required revision before being enforced. Reference was also made to the improvement in revenue and the reduction in expenditure during the current financial year, and the consequent anticipation of a surplus on March 31 next.

In accordance, therefore, the speech went on, with the promise of my Prime Minister, no further withdrawals of the cost of living bonus in connection with the salaries and wages of persons in the employ of the State will be required, although economy in the administration of the different Departments, and in all matters where expenditure is concerned, is still essential.

The first doubt in the situation was resolved by the election of Mr. C. E. Statham as Speaker. Mr. Statham was a former supporter of the Reform party, but he seceded when the short-lived National Progressive party was formed

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by a few supporters of Mr. Massey during the latter's absence in England.

On his return (as the *New Zealand Times* of February 17 last put it), Mr. Massey strategically extinguished the combination of young Reformers by appointing some of their number to Cabinet rank. Mr. Statham maintained his independence, however, and during the last Parliament on numerous occasions voted against the Government. He was also instrumental in forming a party representative of moderate opinion, which was finally merged into the present Liberal-Labour party. As he could not see eye to eye with Mr. Wilford, leader of the Opposition, on all points, Mr. Statham withdrew. In December last he faced the electors as an Independent. It is generally conceded that Mr. Statham is eminently suited for the position of Speaker of the New Zealand Chamber. He should maintain the high office with traditional dignity.

During the election Mr. Statham had pledged himself not to support the extreme Labour party or any Government which depended on that party for its power; yet it would have been consistent with his pledge to have voted against the Massey Government; but his election to the Speakership removed him from controversial fields and settled one point in the party conflict.

Eager to claim and establish Parliamentary prestige, the Labour party nominated one of its members for the Speakership, but he had no chance of election, Mr. Statham being appointed by a majority of 61 votes to 17.

It was generally understood by members that Parliament had been called together for the sole purpose of ascertaining whether the Government possessed, on a no-confidence motion, the support of a majority of the members of the House of Representatives, and the debate was one of the shortest in the New Zealand Parliament, upon a critical occasion. The address in reply was moved on the evening of Monday, February 12, and the critical divisions upon the amendments moved by Mr. Wilford and Mr. Holland were taken on the afternoon of Friday, February 16.

During the debate the Reform party reiterated its offer to join with the moderate elements in the House for the

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purpose of providing, as they said, a stable Government at a time when stable government was imperatively necessary.

The mover of the address-in-reply made the first advance. There was very little difference, he said, apart from varying systems of State banking and proportional representation, between the Reform and Liberal-Labour policies. He believed it would not be long before the Reform party would be known as the National Liberal party, and that many members from the other side of the House would bear true allegiance to it. The leader of the Liberal-Labour party, Mr. Wilford, was not, however, to be entangled. "There are differences," he said, "between the Liberal and Reform policies which make the parties absolutely apart, and there are fundamental differences which this party considers absolutely important." Nevertheless, Mr. Wilford's speech did not prove his bald assertion. It was confined to a detailed criticism of the Government administration with a large reference to questions of company taxation at present engaging the attention of both parties. Mr. Wilford's amendment to the address-in-reply was likewise a bald motion to the effect that the Government did not possess the confidence of the House or the country. The chief ground of complaint against the Liberal-Labour leader is that he failed to state to the House or to the country what action he or his party would take if the Government were defeated on the no-confidence motion. To the unprejudiced observer it would seem that Mr. Wilford had calculated that the Government would carry the day, and that it was unnecessary and unwise for him to pledge himself to any future line of action. During the last three years Mr. Wilford has said many times that he would never take office depending on the Labour party, although last year he said that if the Government could be kept off the Treasury benches he would go on to them with the assistance of the Labour party for the purpose of passing proportional representation, and that he would then go to the country. In the eyes of the public some declaration as to his future

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course of action was called for, but he gave none. In response to a direct inquiry in the House, he merely stated that if he succeeded he would state what he would do.

The plea for the fusion of the Reform and the Liberal-Labour parties was also strongly made by the Hon. Downie Stewart, Minister for Customs, who replied to Mr. Wilford on behalf of the Government. The theme of the speech was that Mr. Wilford's personal ambitions were being allowed to stand in the way of the formation of a stable Government.

Sham fighting, said Mr. Stewart, in his speech in the House on February 13, is going on in this House. I have admitted that ever since 1914, when I first came into the House, but it is not the responsibility of this party. The admissions of the Liberal party show that they are not warranted in maintaining their present position. The real opposition is on the Labour benches. Numerous members of the Liberal party have admitted this truth, and their present leader is departing from the views held by one at least of his predecessors. . . . I am referring to Sir Joseph Ward. . . . I do not believe that the decisions which were arrived at by the Liberal party the other day are the true opinions of that party. In my view, it is necessary to distinguish between the mind and thought of the Liberal party and the mind and thought of its present leader.

Mr. Stewart also stated that there was not a member of the Administration who did not put himself in the hands of the Prime Minister and agree to stand down if by any means it would assist in forming a suitable Administration.

The Prime Minister spoke less directly to the same end. He said :

Since the polling day, I have been deluged with letters and telegrams asking me to carry on and to hold the fort until more assistance comes along. I hope it will come, for we are determined to do the right thing. I wish to make the country, and members of Parliament especially, realise that the real issue is between revolutionary socialism and those who are opposed to it. If this wretched three-party system continues, I am going now to predict what will happen. I am going to predict that if this three-party system continues with vote splitting almost scientific—and it has been used to a great extent in connection with the recent elections—we may yet find our Socialists sitting on these benches or on those opposite. . . . So far

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as the three-party system is concerned, it has been a curse to every country where it has existed.

Anxious, as already stated, for Parliamentary prestige, and only two less in number than the Liberal-Labour party, the Labour party moved an amendment to Mr. Wilford's amendment giving reasons why the Government did not possess the confidence of the House. In moving this amendment, the Labour leader, Mr. Holland, discussed the political position in these words :

Government members are to-day pleading extremely hard with the Liberal benches to save them from Labour. As things are, the Government cannot carry on, whatever is the position of other parties ; the Government cannot carry on unless it gets the votes of men who were elected as its opponents. . . . But, says the Minister of Internal Affairs, what do the Liberals propose ? And I confess that there was no answer from the Liberal benches as to what they propose ; but, reading between the lines, this is what I see : The Liberals are moving to displace the Government from the Treasury benches, and they will do that, if they can, with the aid of the votes of the Labour party. It goes without saying that every time the Prime Minister accepts a motion in this House as a motion of no confidence, the Labour party will vote no confidence in him, because, as a matter of fundamental principle, we are opposed to the Government. Then, supposing there is no departure from the terms on which members were elected and the Government is defeated, when the leader of the Opposition becomes Prime Minister he will demand the aid of the Reform party to save him from the Labour party. . . . It follows that if the Liberals come into office and propose legislation not in the interests of the working class, these benches will vote against them, and on that day the Liberals will raise the cry of " revolution " just as the Government benches now raise it ; and the old game of scaring one another will go on until each has scared the other into the grave, and there will be neither party left. . . . Under the present electoral system nothing can be gained by another appeal to the people. . . . The suggestion the Labour party makes is this : Let this House agree to enact a *bona fide* system of proportional representation—not the Australian system, that is not proportional representation—and put through supply ; and having done that, then, on the reformed electoral system, let us agree to go to the country and abide by the decision of the people.

In the result, the Liberals rejected the advances of the

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Government, but their amendment was defeated by 41 votes to 38, Messrs. Isitt, Witty and Bell voting with the Government; and the Labour amendment was defeated by 40 votes to 18, the majority of the Liberals walking out of the chamber immediately prior to the voting on the Labour amendment. Commenting upon the situation, the *New Zealand Times*, the leading Liberal organ, said editorially:

It is well that the situation has been met in the way it has. For four months to come peace and quiet, freedom from political turmoil are secured, and the useful work of government can go on undisturbed to the advantage of the Dominion generally, in satisfaction of many urgent public needs. From the progressive point of view, the situation is, of course, not satisfactory. But it is the best situation possible at present and under existing circumstances. For consideration of its improvement there are the months between this and the usual time for the meeting of Parliament.

Parliament meets in June next, but at the time of writing the situation is still obscure.

The references in this article to the speeches of the political leaders have been made at length in order that the attitude of the different parties may be made plain out of their own mouths.

Proportional representation and the State Bank divide the Reformers and the Liberals. As regards the former, it is only within the last seven months that the Liberal-Labour leader told the country that his party had never stood for proportional representation; but it is now in the party's platform. As regards the State Bank, the State is already the holder of approximately one-third of the shares in the Bank of New Zealand. A careful perusal of the speeches made during the short session leaves a strong impression of the lack of any vital distinction between the political philosophy of the present Reform party and that of the Liberal-Labour party. There is perhaps a difference of quantity, but not of quality. Between the Reform and the Liberal-Labour parties on the one hand, and the Labour party on the other, there is a difference of both quality and

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quantity. The Labour party stands for a co-operative commonwealth and what is termed "the socialisation of the means of production, distribution and exchange." In pursuit of this ideal the Labour party gives evidence of ability and zeal. In the words of one of its members at a Labour meeting in Wellington, on February 13 last, "Labour has its eyes to the sunlight, seeking the overthrow of the forces of darkness. It has youth and ability, and no party can stay its onward march."

The other two parties stand in a more prosaic way for the established order, granting the right to each man to hold what he earns, subject to State interference and regulation on no very defined principle; but it is clear that they do not stand for the State regulation of the whole community.

The general conclusion to be drawn from the situation is undoubtedly that the real opposition lies between Labour on the one side and the remaining two parties on the other; and this view has become clear to the Liberals since the session closed. Writing in the *Otago Daily Times* of February 26 last, the President of the Liberal Association of Southland said:

The end of the recent session of Parliament has not by any means cleared the political confusion into which New Zealand has been allowed to drift. . . . We are naturally anxious to ascertain what is responsible for the continuance of the political deadlock for the very sound reason that, on the facts as generally known, there should not be any such difficulty as seems to have arisen. The Reform party claims to subscribe to Liberal principles, and the members of the Liberal party claim to be true Liberals. . . . What, in the name of reason, is any citizen to think of the position as it remains to-day? The question that promptly suggests itself is, where is the influence that is preventing the formation of a new National Liberal party? . . . If personal ambition and party preference are kept out of negotiations, and if there is truth in the repeated statement of the prominent members on both sides, I fail to see where any sound argument exists that could bar the way to a satisfactory and thoroughly sound arrangement.

The view here expressed may be regarded as sound. It may also be expected to gain weight and influence during

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the months intervening between the present and the calling together of Parliament again in June. Of all the individuals concerned, Mr. Wilford, the present Liberal-Labour leader, has the greatest responsibility to discharge. If he is intent upon the premiership, then there will be no fusion except upon the terms that he becomes Prime Minister ; and that is not a practicable attainment so long as Mr. Massey remains at the head of his party of 38, with the prestige now attaching to him. If, on the other hand, Mr. Wilford is willing to stand aside, or if his party breaks, a fusion of the moderate elements in the House will follow. This conclusion is made more certain by the views just expressed by Sir Joseph Ward, the last Liberal Prime Minister, during his candidature for the Tauranga seat, rendered vacant at the close of the short session by the death of Sir William Herries, one of Mr. Massey's most valued lieutenants. Great interest is being taken in this election, which will not be held until after the despatch of this article. The Reform party's candidate is being vigorously supported by the Prime Minister and one of his colleagues. The Labour party is refraining from putting forward an official candidate, chiefly because, it is thought, such action would cause vote-splitting, assist in the return of Sir Joseph Ward, and thereby delay the transference of Liberal support to the Labour party. Sir Joseph Ward himself, now restored to health, is standing simply on his personal merits as a veteran Liberal and an ex-Prime Minister. In attempting to re-enter politics by appealing to a constituency which has returned a Reform member since 1896, he is indicating that he has been promised substantial support. In his first speech he has said that he is entirely opposed to a dissolution and that he holds the view that "the best brains of the House must put their heads together." According to Sir Joseph, it is impossible for the Government to carry on with a majority of three, and a grave injustice will be done to the country if it is permitted. If the Reform party wins the seat, the party is still left with a majority of only three. If it loses

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the seat to Sir Joseph Ward, it has only a majority of one. Fusion or a working arrangement on some terms seems to be the only remedy and, if Sir Joseph Ward is elected, this result is more than probable.*

In the meantime one of the election petitions has been decided, the Hon. C. J. Parr, Minister for Education, retaining his seat.

A further complication in politics arises from the apparent determination of the Farmers' Union to protect itself by creating a Country party. If such a party comes into being, it will be devoted to sectional interests. The members of the farming community look askance at the present situation. They do not pretend that they have obtained all that they wanted from the Massey Government, which is generally regarded as having the support of the farming community, and they do not like the measures which Liberalism has in the past imposed, such as the graduated Land Tax. Hitherto the Farmers' Union has been a non-party organisation, but the present situation is such that the Farmers' Union, in the words of its President, in an interview given at Wanganui on December 13 last, considers it probable that "our organisation will be compelled to take a more active interest in party politics than it has hitherto done, if we are not going to allow ourselves to be overlooked in the political card-shuffling of the next few months." In referring to the alternative of another election, the President said "such a contest would be under a very different set of conditions (from the last election), and might necessitate future definite action if our interests are not to be still further sacrificed." This view was supported by the chairman of the Auckland Provincial Executive of the Farmers' Union at a meeting in Auckland on December 13 last. He is reported to have said (*vide* the *Evening Post* of December 14, 1922):

If the farmers decided to conserve their own interests and the

* For the election result, see postscript at the end of this article.

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interests of the Dominion, they would have to take more direct political action. This could be done only by establishing a Country political party. Farmers in politics belonged to both camps. If anything was to be done, action should be taken immediately to establish a new party. The existing parties were both out of touch with the farming interests. The Executive would have to set to work at once and see that an entirely new party was established.

The Auckland Provincial Executive then decided to maintain a fund with a view to political action.

The rise of a Country party in New Zealand would still further add to the intricacies of the political situation, and if the Reform and Liberal-Labour parties do not fuse, New Zealand has almost certainly entered upon a period of doubt and uncertainty in government.

II. THE ECONOMIC OUTLOOK

A BRIGHTENING outlook in all directions has been the outstanding feature of the past three months. Prices for wool, especially, have shown a marked advance at recent sales, and in some individual instances have overtopped the peak prices of post-war years. Such prices have vindicated the judgment of those who had the courage and the financial resources to hold over the clips of the past two years.

The dairy community, whereof many members have been struggling on through financial shallows, finds itself afloat again on the tide of returning prosperity. This has been due partly to the general stability of dairy prices combined with a steady upward tendency, and mainly to a phenomenally wet summer in which the rainfall in many districts has passed previous summer records, and has produced a remarkable growth of pasture. The dairy division of the Department of Agriculture reports that during the seven months ending February, 1923, as compared with the similar period ending February, 1922, the output of butter fat has increased by 25 per cent.

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The recovery in prices, however, will probably have one undesirable effect—namely, that of distracting the attention of the producer from the problem of overseas marketing, which his straitened circumstances during the past two years have compelled him to consider. Producers as a whole have strong grounds for suspecting that only a small portion of the butter exported by New Zealand to England reaches the consumer unadulterated and with the New Zealand label. The problem has been to devise and put into operation a satisfactory system of marketing, but the proposal for a dairy control board seems to have been forgotten, and only diminished returns for dairy produce are likely to revive it. On the other hand, the Meat Producers' Board claims to have obtained reductions in freight rates representing a saving of £575,000 to the farmer, and is considering the problem of marketing in the United Kingdom. If it is able to effect substantial improvements, its success may encourage similar efforts from the dairying communities.

It has been found that some six months elapse in New Zealand before all sections of the community have benefited or suffered, as the case may be, by an extensive fluctuation in the prices of our exports. Public confidence, however, begins to react immediately, and although the conditions of the past two years are still too vivid in the minds of the speculator to encourage rash ventures, landed property in town and country is changing hands more freely, and will doubtless continue to do so.

The railway returns show a decided improvement for the recent months, and a return, submitted by the Prime Minister to the February session of Parliament shows that for the period of ten months ending January, 1923, as compared with the similar period of the previous year, the revenue has increased by £1,445,948, and the expenditure decreased by £1,967,562.

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III. LABOUR TENDENCIES

THE workers in the ranks of industry feel aggrieved at the reductions in the bonuses on wages which have taken place pursuant to the awards of the Arbitration Court. As the cost of living has fallen, the bonuses have been reduced. This is good sense, and in accord with the needs of industry ; but militant Labour has taken it with a bad grace. The shipping strike was meant to be a protest.* The Alliance of Labour,† representing the extreme section, has taken a ballot of its members as to whether there should be a general strike as a protest against the reductions in the bonuses on wages. The result was an overwhelming majority in favour of a strike, but the Executive of the Alliance was wiser than its members. According to the President, it was hoped to overcome the difficulties by negotiation ; but, so far as the public is aware, there has been no negotiation and no strike. Another indication of the trend of labour opinion in the country is given by the appointment made this month to fill the vacancies on the Arbitration Court caused by the expiry of the periods of office of the nominated members. These members represent respectively the industrial unions of the employers and of the workers. Each side has a nominated member and an acting nominated member, the latter taking the place of the former in the event of his absence from any cause. The remaining member of the Court is a Judge who has the status of a Judge of the

* The strike of the Seamen's Union, described in our March number (see THE ROUND TABLE, No. 50, March, 1923, p. 451), was, after a month, called off, the men undertaking to abide by the award of the Court against which the strike was a protest. Its failure was due partly to the suspension of statutory provisions which enabled the engagement of free labour and partly to the refusal of the shipping companies to re-engage the men unless the union agreed to abide by the award. An offer by the Alliance of Labour to assist by calling out the Waterside Workers and affiliated organisations was refused by the seamen.

† See THE ROUND TABLE, No. 48, September, 1922, p. 921.

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Supreme Court. The nominated members are appointed by the Governor upon the recommendation of the unions of employers and of workers respectively. The last representative of the workers, Mr. M. J. Reardon, has been a prominent Labour leader for many years, and he took his place upon the Bench of the Arbitration Court during the worst period of the depression. In the eyes of the public he has acquitted himself well, but he is now rejected of the Labour movement. The Alliance of Labour has succeeded in placing its two nominees at the head of the poll taken by the industrial unions for the purpose of ascertaining who should be nominated by them as the members of the Arbitration Court. It appears that militant labour is striving for and gaining ascendancy in the labour world at the present time.

New Zealand. March, 1923.

POSTSCRIPT

Since the foregoing was written, Sir Joseph Ward has been defeated at Tauranga by more than one thousand votes. The Government victory is regarded by Mr. Massey as an emphatic vote of confidence in his régime, and he now speaks of being able to carry on the Government during the full term of the present Parliament.

Owing to informalities of a technical nature, the Oamaru election has been declared void. The late Minister for Justice, the Hon. E. P. Lee, who was defeated by a Liberal at the General Election by 14 votes only, will again be the Government candidate at the by-election, and if he is returned the position of the Government is assured.

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